

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

On June 5, 2000, new legislation entitled the "Customer Choice and Electricity Reliability Act," 2000 PA 141 (Act 141) and 2000 PA 142, became effective. Section 10a (2) of the act provides that the Michigan Public Service Commission "shall issue orders establishing a licensing program for all alternative electric suppliers." Act 141 established Customer Choice in Michigan. Alternative Electric Suppliers (AESs) are the unregulated entities that are eligible to sell electricity to retail electric customers in a host utility's Michigan service territory.

Public Act 286 of 2008 (Act 286) was enacted on October 6, 2008 and amended PA 141. Section 10a(1)(a) of Act 286 requires limiting the amount of electricity that can be obtained from an AES to "no more than 10% of an electric utility's average weather adjusted retail sales for the preceding calendar year." As a result, the Commission issued an order on October 21, 2008 in Case No. U-15801 to establish rules for allocating the sales as specified in Section 10a (1)(b)-(d). In its order dated September 29, 2009 in Case No. U-15801, the Commission outlined the specific procedures pertaining to the 10 percent cap, and also established the details of the each utilities' electric choice Cap Tracking System.

Upper Michigan Energy Resources ("UMERC") interfaces with AESs for them to provide power supply to customers in our Michigan service territory. UMERC's Michigan Supplier Liaison is the primary contact to establish the relationship between the AES and UMERC. The UMERC Michigan Supplier Liaison can be reached at 414-221-4650.

This document describes the prerequisites and the registration process to provide power supply to customers in UMERC's service territory.

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

❖ Registration Steps:

- Obtain MPSC License as an AES
- Complete AES Registration Form and submit to UMERC's Michigan Supplier Liaison
 - Have the ability to procure electric power and energy (Certify on AES Registration Form)
 - Be current on all payments to UMERC
 - Have internet access to use the OASIS for reserving transmission and ancillary transmission services with MISO
 - Have internet access to use the MISO Market Portal
- Complete AES Creditworthiness Request Form and submit to UMERC's Michigan Supplier Liaison
 - Meet financial qualifications
 - Have a credit limit established with UMERC
 - Provide additional credit assurances when needed
- Enter into appropriate contractual relationship with UMERC
 - Retail Access Service Agreement
 - Meter Data Management Services Agreement

Note the steps above are required for AES registration only. Additional steps are required prior to implementing any customer switch.

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

Documentation:

Document	Where Found	How Submitted
AES License Application	MPSC Web site: http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/	eFile - MPSC e-docket system
OATT Service Agreement	Midwest Independent Transmission System Operator (MISO) OASIS	U.S. mail, e-mail or fax
AES Registration Form	UMERC Michigan Supplier Liaison	U.S. mail, e-mail or fax
Creditworthiness Request Form	UMERC Michigan Supplier Liaison	U.S. mail, e-mail or fax
Supplier Agreement	UMERC Michigan Supplier Liaison	U.S. mail and e-mail
Meter Data Management Services Agreement	UMERC Michigan Supplier Liaison	U.S. mail and e-mail

PREREQUISITES

Alternative Electric Suppliers (AESs) must establish a business relationship with UMERC, MISO, and ATC before they can begin serving customers in UMERC's Michigan service territory. To establish a business relationship with UMERC, AESs must meet certain initial conditions, including meeting Federal Energy Regulatory Commission (FERC), Michigan Public Service Commission (MPSC), and UMERC's requirements.

❖ Obtain MPSC License

An AES must be licensed by the MPSC to operate within the state of Michigan.

Information about the process to obtain a license can be obtained from the MPSC Web site (<http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/>)

❖ Complete and Submit Required Forms - AES Registration Form & AES Creditworthiness Request Form

Each AES must submit a registration form to notify UMERC that it intends to sell electricity to retail customers in UMERC's service territory. Submitting the "AES Registration Form" begins the formal registration process between the AES and UMERC. (See the AES Registration Flowchart for an illustration of the registration process.) Each AES must also submit a form to provide information necessary to evaluate the AES's creditworthiness. The "AES

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

Creditworthiness Request Form" should be submitted with the AES Registration Form. UMERC will accept an AES's registration form and creditworthiness request form and begin registering the AES only after the MPSC has licensed the AES.

Registration forms and creditworthiness request forms can be obtained from the UMERC Michigan Supplier Liaison at 414-221-4650.

The registration form asks for the following information:

- Corporate name
- Mailing address
- Telephone and fax numbers
- Corporate contact information
- Corporate affiliations
- Dun & Bradstreet identification number
- MPSC licensing Docket Number, including filed updates
- Federal and state tax identification numbers
- Submit a copy of a completed and FERC accepted OATT Service Agreement or certify that the AES is listed by name on MISO's OATT – "Index of Point-to-Point Transmission Service Customers," or "Index of Network Integration Transmission Service Customers"
- Certify that the AES has internet access to use the OASIS for reserving transmission and ancillary transmission services with MISO
- Certify that the AES has internet access to use MISO's Portal

The creditworthiness request form asks for the following information:

- The method the AES intends to use in order to establish counterparty credit
- Appropriate audited financial statements
- Draft Parent Guarantee, draft bank Letter of Credit, Cash Deposit information or draft Surety Bond

Completed forms may be submitted via fax or U.S. mail to:

UMERC
Wholesale Energy Marketing
Michigan Supplier Liaison A-214
333 W. Everett St
Milwaukee, WI 53203
414-221-2485
frances.hardrick@we-energies.com
414-221-4650
kristy.schwab-jacobs@we-energies.com
FAX# 414-221-4210

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

UMERC will keep information on the completed forms confidential.

❖ **Contractual Agreements**

The AES must enter into contractual agreements with UMERC after completing the applicable forms and receiving an acceptable credit limit. The contractual agreements will be provided to the AES after the registration forms are validated.

The **Retail Access Service Agreement** contains the following:

- General and administrative provisions
- Conditions precedent
- Basic obligations of the parties
- Events of default and remedies for default
- Limitation of liability
- Indemnification
- Force Majeure
- Security arrangements
- Load profiles and metering
- Unauthorized energy use
- Billing and collection
- Payment
- Customer inquires
- Dispute Resolution
- Confidentiality
- Representation and warranties
- Taxes

The **Meter Data Management Services Agreement** contains the following:

- Definitions and Interpretation
- Effectiveness and Term
- Duties and Responsibilities; Indemnification
- Expiration and Early Termination
- Scope of Services
- Representations and Warranties
- Dispute Resolution
- Miscellaneous

The UMERC Michigan Supplier Liaison will arrange for development of contractual agreements with the AES. The agreements are the final step in the AES registration process.

INFORMATION FOR ALTERNATIVE ELECTRIC SUPPLIERS

In order to serve customers in UMERC's service territory, the following additional steps must be completed:

❖ **Customer Switch Requirements**

- Establish UDT Communication

The AES must have access to the internet and have an E-mail address that will be used to handle UDT forms. It is preferred that this be a unique E-mail address that will be frequently monitored to assure that processing is not delayed.

- UDT
 - Assigning a login user name.
 - Assigning a login password.
 - The AES providing an email address to receive UDT emails.
- Provide Michigan Supplier Liaison MISO Commercial Pricing Node Attachment B
- Provide Michigan Supplier Liaison Transmission Service Request Number