



SEMCOENERGY

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G A S C O M P A N Y

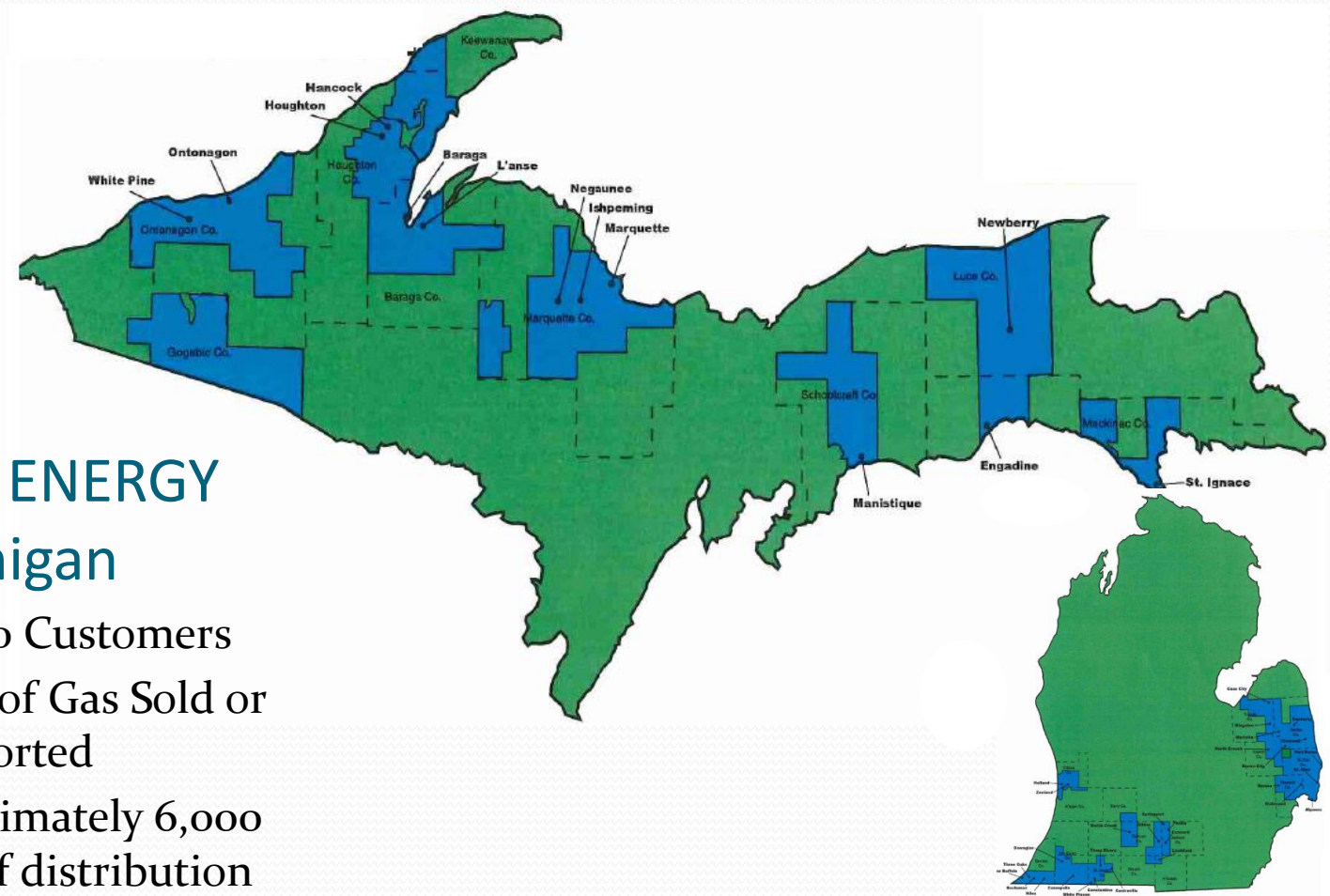
## **Natural Gas in the Upper Peninsula**

September 23, 2015

# Topics

- Who is SEMCO
- Growth
- Efficiency
- Monthly Assistance Program





## SEMCO ENERGY in Michigan

- 298,000 Customers
- 41 BCF of Gas Sold or Transported
- Approximately 6,000 miles of distribution main
- 255 Cities, Towns and Villages Served



# AltaGas

## Diversified energy infrastructure

**~2 Bcf/d**  
of natural gas  
transacted



### Gas

Processing and moving natural gas to key markets including Asia

**1,530 MW**  
of power generation  
in five fuel types<sup>1</sup>



### Power

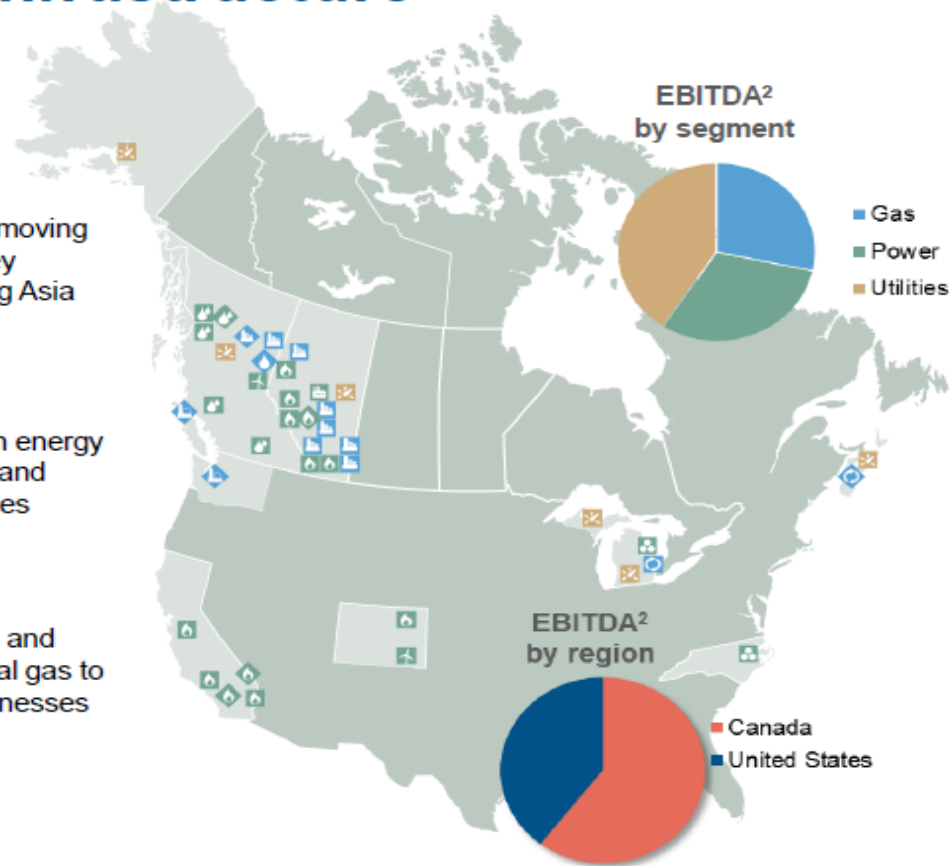
Generating clean energy with natural gas and renewable sources

**5 Utilities**  
serving over  
560,000 customers



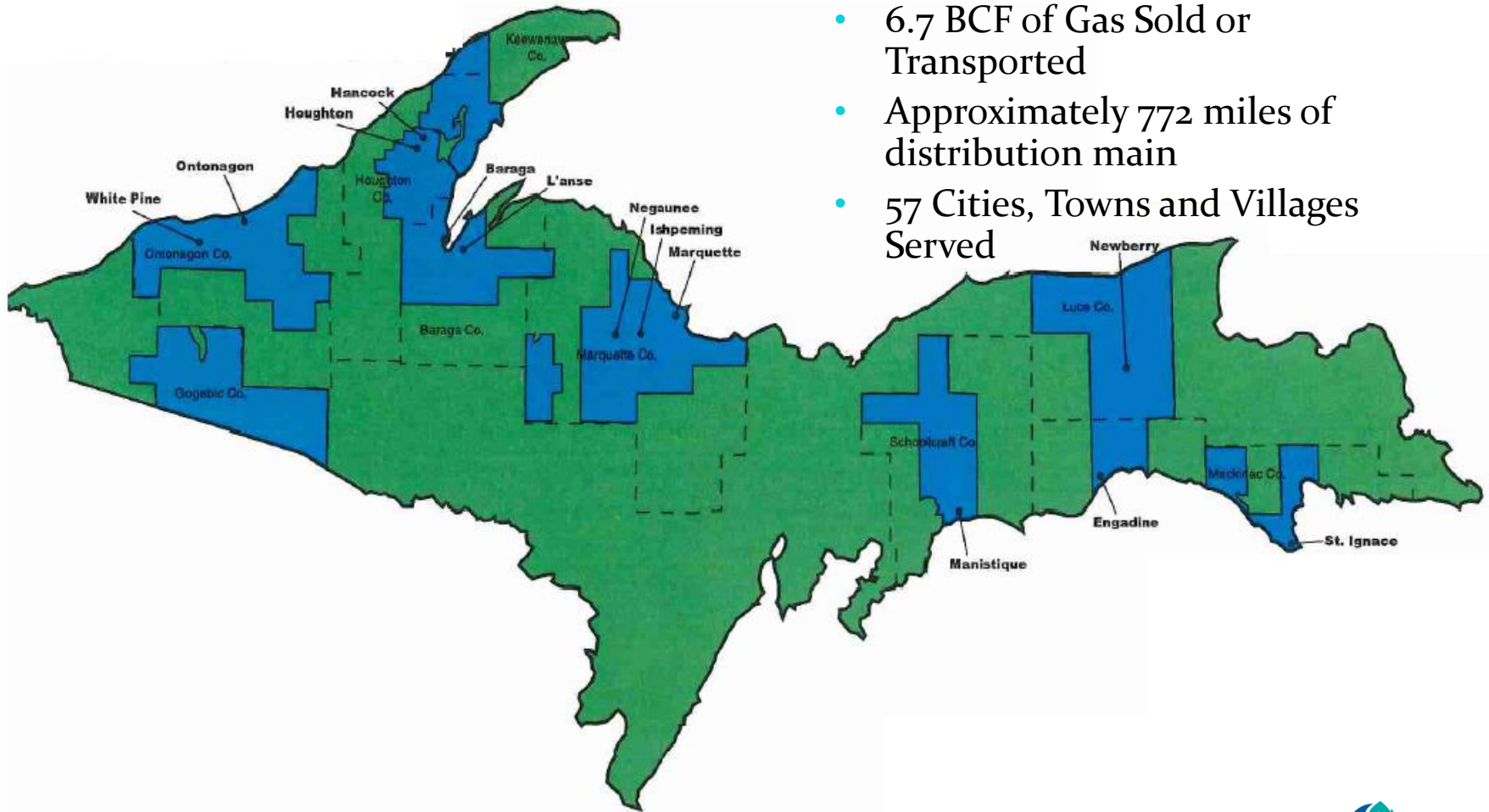
### Utilities

Delivering clean and affordable natural gas to homes and businesses



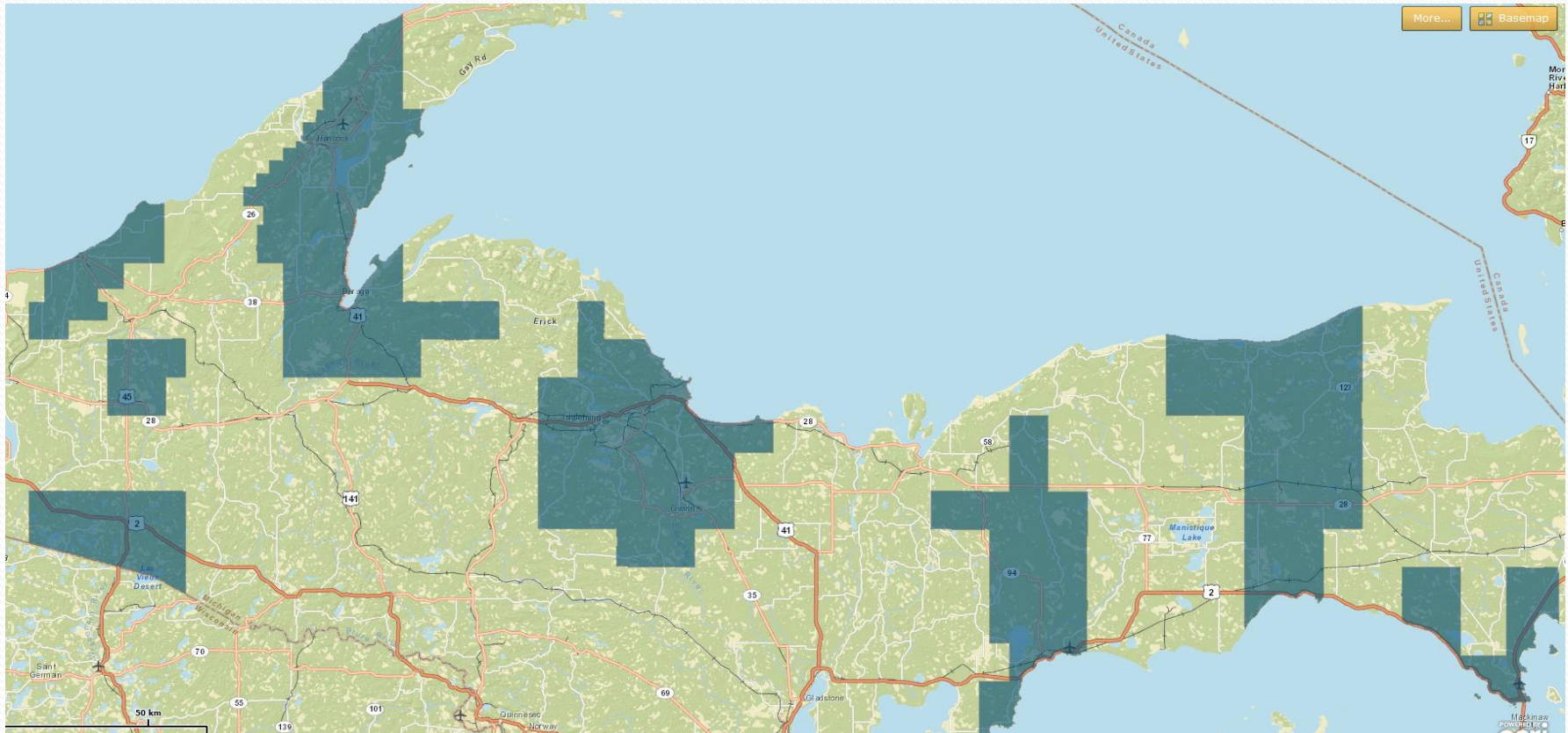
## SEMCO ENERGY in the Upper Peninsula

- 38,000 Customers
- 6.7 BCF of Gas Sold or Transported
- Approximately 772 miles of distribution main
- 57 Cities, Towns and Villages Served

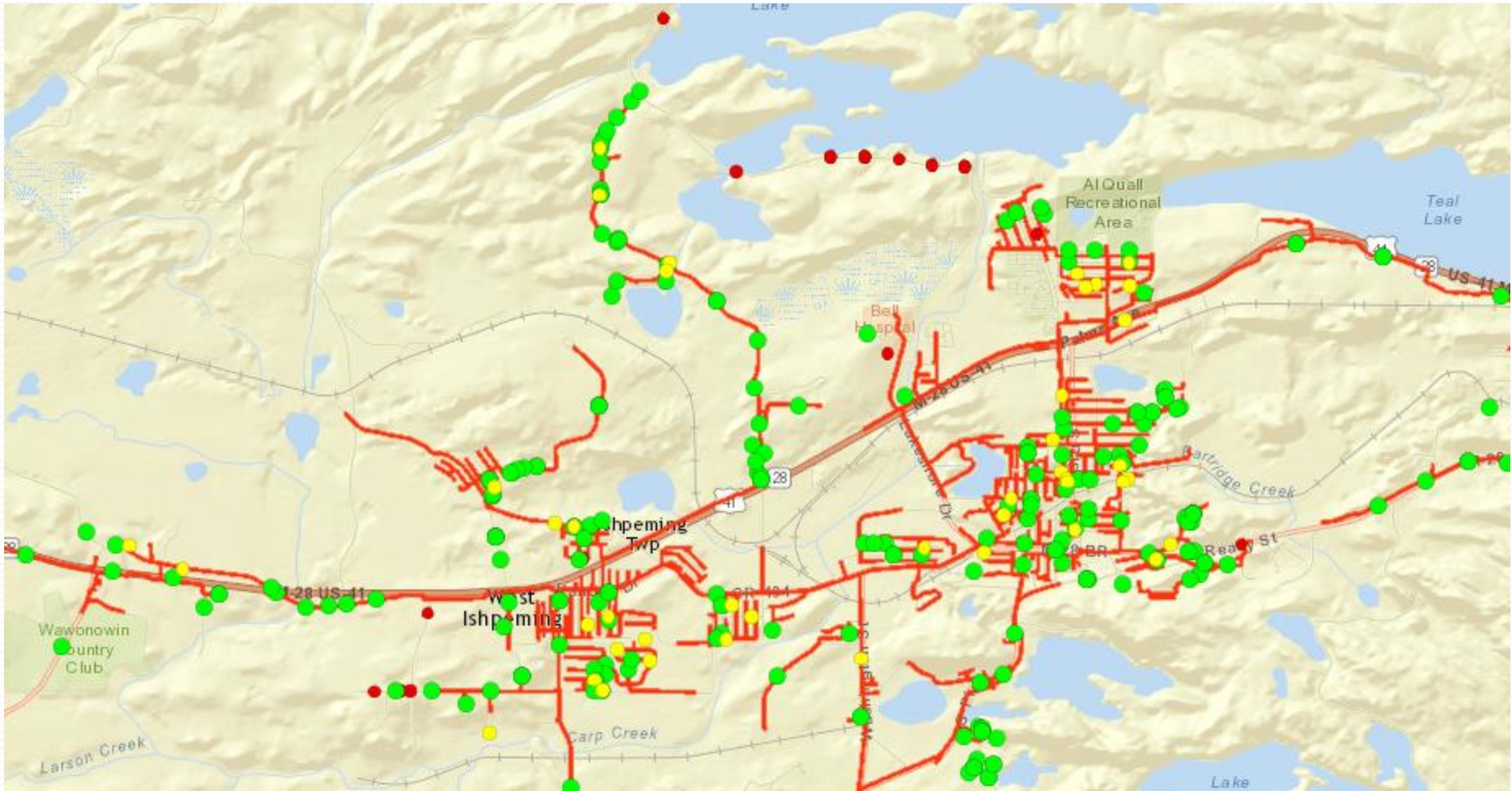




# How SEMCO approaches growth (GIS Approach)

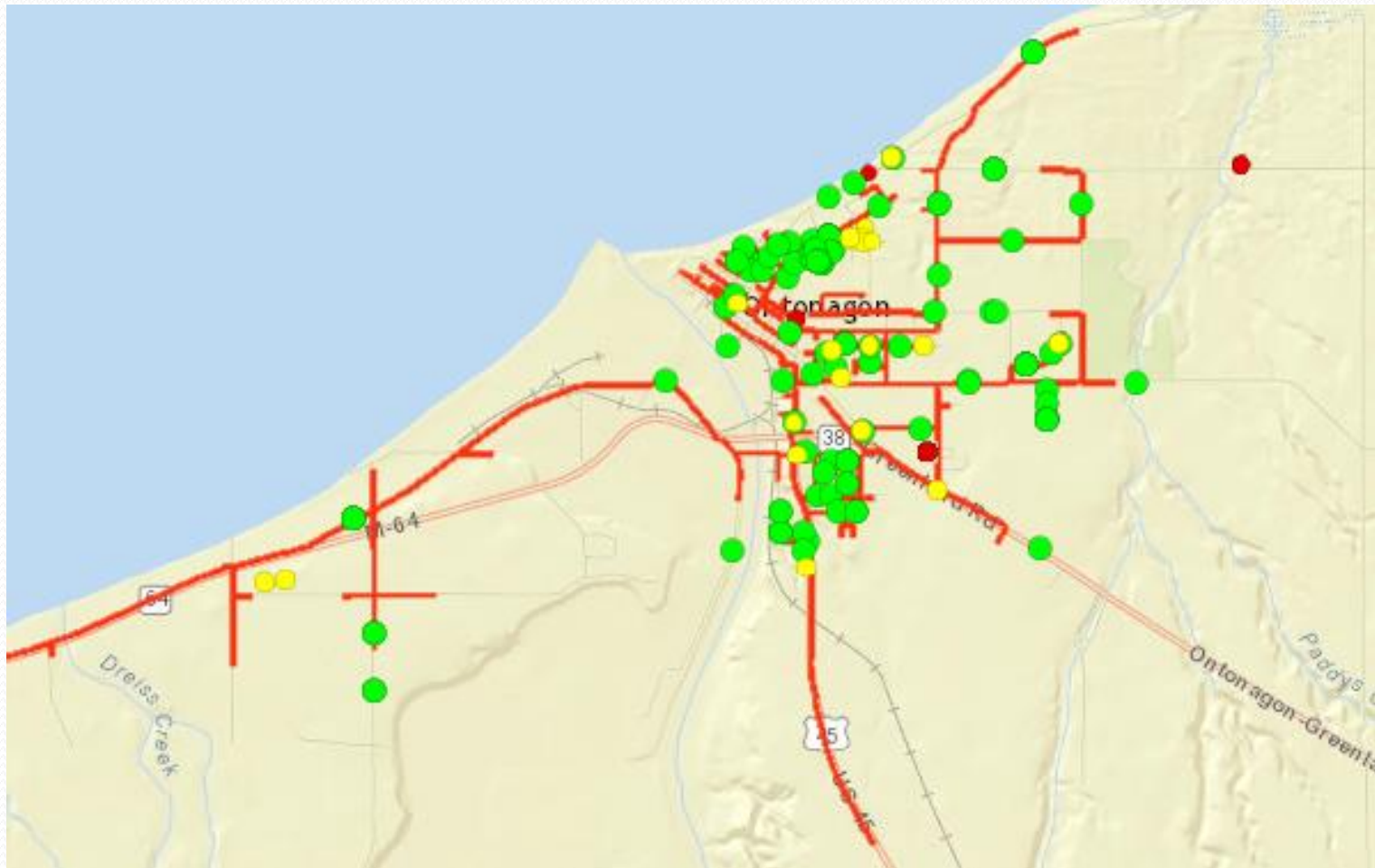


# On and Near Existing Facilities





# Expansion Project Identification





# 2013 Keweenaw Expansion Project



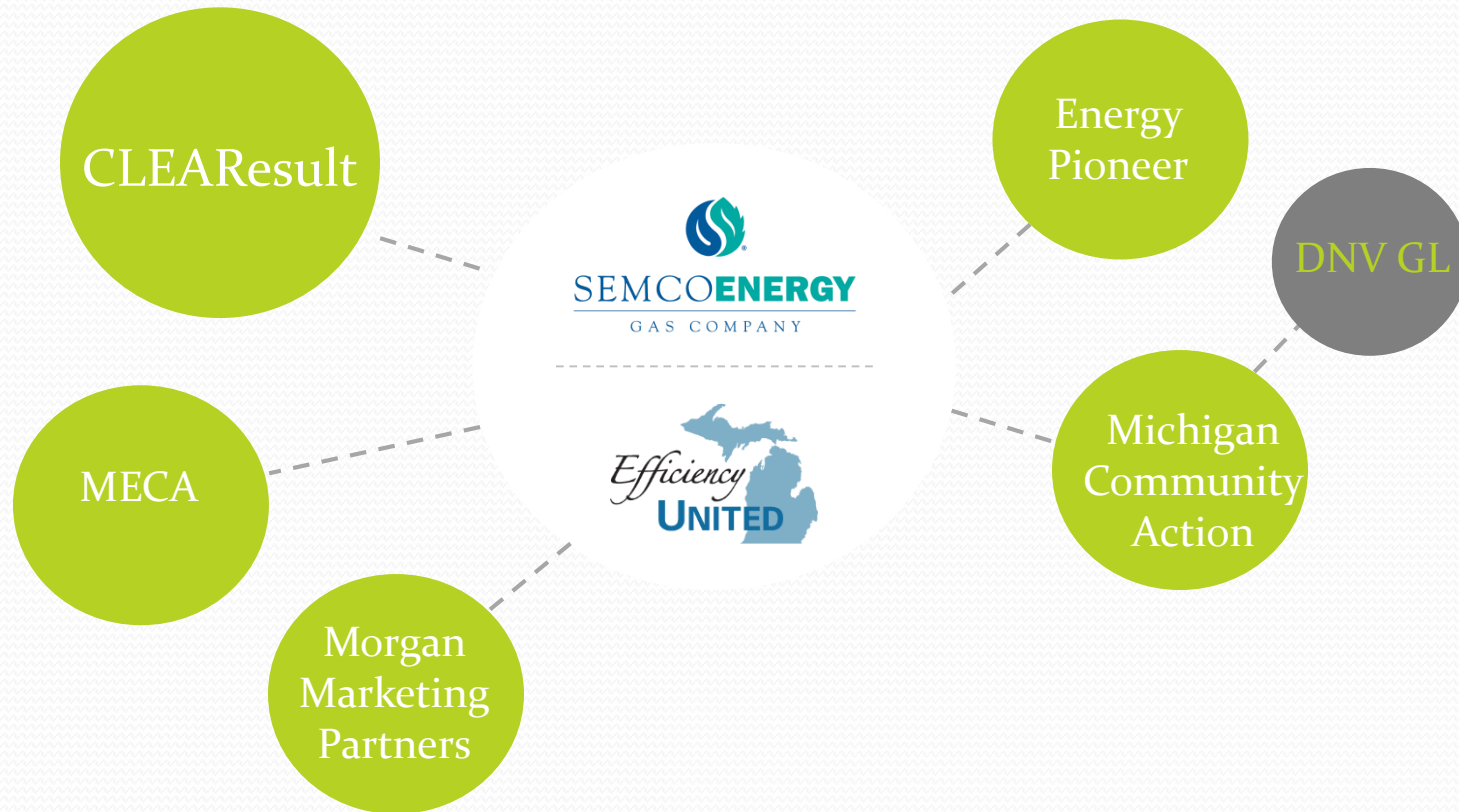
- 81,500 feet of gas main
- 700 Potential Customers
- 360 Customers in first year
- Three new franchises
  - Allouez
  - Ahmeek
  - Copper City

## Expansion Process

- Requested by a potential customer or identified by SEMCO.
- SEMCO conducts an area assessment
- A formal financial model is performed in accordance with the Customer Attachment Program (CAP) model.
  - SEMCO pays for a portion of the costs and the remaining costs are paid by the new customers.
- The costs can be paid over time, typically 5 years, as part of the customer's bill or may be paid up front.



# How SEMCO approaches Efficiency Collaboration



# Efficiency Programs

- Residential
  - Appliance Rebates
  - Energy Audits
  - Home Envelope Programs
  - Education Programs
  - Income Qualified Programs
- Non-Residential Programs
  - Rebates
  - Energy Profiles
  - Commercial Education Programs
  - Customer Designed Efficiency Measures
  - Pilot Programs





# Customer Efficiency Results in the Upper Peninsula (2012-2015)

	Direct Efficiency Incentives	Participants	Annual Therm Savings	Estimated Annual Customer Savings
Residential	\$1,415,000	5,063	730,900	\$406,000
Non-Residential	\$643,500	41	1,251,000	\$696,000



# Monthly Assistance Program (MAP)

- Monthly Assistance Program (MAP) is funded by MEAP
- MAP provides a reduced monthly budget
  - Promotes self-sufficiency by rewarding on-time bill payments
  - Monthly credits based on income and consumption levels
  - Reduces customer non-pay disconnects
  - Encourages energy conservation



## Upper Peninsula Customers

- Enrollments increased 72% from previous year
  - 253 natural gas
  - 54 propane
- Average energy subsidy reduced by \$55 per household , or 11%, in 2015 compared to 2014
- 22% of enrollments are senior citizens
- In addition, Home Heating Credits increased by nearly 18% during the same time period.



# Natural Gas in the Upper Peninsula

## Advantages

- Affordable
- Expanding use
- Domestically produced
- Low emissions

## UP Status

- Abundant supply in southern UP
- Limited firm capacity in the northwest UP
- Controlled service rules governing new industrial and commercial retail sales customers since January 2009





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**Investing in the Upper Peninsula**