

MichCon is always here – providing peace of mind to our customers in the more than 500 communities that we serve.

MichCon



Here, customer and DTE Energy employee Pat Rankin talks with Thomas Palamera, a distribution general fitter, while Jose Bermudez and Venson Buggs, distribution general fitters, begin the work that ensures hazardous leaks are eliminated quickly. For more on safety and our operations, visit our Corporate Responsibility Report at dteenergy.com/crreport

We touch our customers' lives every day with the products and services that we offer.

Customers like Pat Rankin. In February of 2007 Rankin's neighbor smelled gas, so he called MichCon. Arriving home from his job that evening, Rankin saw a MichCon team working on the front lawn leading to his gas meter. Laboring through frozen ground and frigid temperatures, the team had Rankin's house heated by 10 p.m. that night. "With three kids, ages 6, 3 and 9 months old, it makes the MichCon team's hard work that much more appreciated. The team's efforts through the evening heated my home again," Rankin says. Overall customer satisfaction with MichCon showed significant improvement in 2007.

We've made safety for both customers and employees a top priority in our operations. Each year, we monitor MichCon's vast network of underground pipelines that carry natural gas from production and storage facilities to homes and businesses throughout the state.



MichCon's service area is 14,700 square miles. There are 2,471 miles of transmission and gathering pipelines and 18,390 miles of distribution main pipelines in our territory.

We voluntarily install excess flow valves on as many residential service lines as possible throughout our high-pressure distribution network. If a service line is severed, the excess flow valve is designed to automatically shut off, protecting customers from uncontrolled gas leakage until we can make the proper repairs. In addition, our high-pressure transmission pipelines receive detailed attention to ensure continuing safe service. Special instruments are used to assess the condition of the pipeline, to check for corrosion outside and inside of the



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pipe, and to address any threats to safety from either the physical environment or by human activity.

We also use sensitive leak-detection equipment to make sure that all of our pipelines operate safely – all the time. Surveys and patrols are conducted on foot, from vehicles and from the air to monitor leaks and construction activity or development encroachment in the pipeline right of way. These programs and others focus on safety for our customers and our employees, 24 hours a day, seven days a week.

Employees were behind the dramatic turnaround in MichCon's safety record from 2005 to 2007. Performance in employee safety went from third-quartile to first-decile, as measured against our American Gas Association industry peers. We understand that we can't achieve our overall growth targets without the full support of our employees, so we're intent on creating a safe and positive environment where they can do their best work every day.

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Leatha Blessingame has been a long-time Home Protection Plus customer. Here, she talks with service technician John Oman.



The “Home Protection Plus” (HPP) appliance maintenance plan uses a dedicated team of skilled technicians to make same-day service repairs. Our customers trust us and know that we’ll respond in an emergency, when their furnace breaks down, or if they report another HPP-covered appliance breakdown. We respond immediately as part of our unwavering commitment to meet our customers’ needs.

At the same time we’re focusing on our internal operations, we’ve also increased our natural gas storage capacity and used technology to access base gas that has existed in our fields since they were first developed. Through a settlement with the Michigan Public Service Commission, we can now sell this excess storage inventory and base gas outside of our service territory in Michigan, and to other states. This opens new markets to us and benefits our customers because their share of the gas has led to a reduction in our gas cost recovery (GCR) factor. The average MichCon residential customer will save about \$45 as a result of this agreement, depending on trends in natural gas prices.

MichCon’s objective during this time frame is to deliver a return on equity of 11 percent and cash from operations that could average \$165 million per year, including proceeds from our storage base gas sales.

New compression facilities at our Belle River Mills and West Columbus storage fields are part of a \$76 million improvement project that began in 2007. Belle River Mills improvements include additional horsepower and compression, a new high-capacity hydrocarbon removal plant, additional new horizontal wells, an interconnection with the existing gathering system and station modifications. The West Columbus improvements include station modifications, additional wells and a new 24-inch, 2.8-mile system gathering loop. The work, when completed in 2008, will further expand our storage capabilities by 17 billion cubic feet and improve system operation and flexibility.

MichCon provides safety information to customers, public officials and the general public located in the vicinity of our pipelines through bill inserts, mailings, emergency planning meetings and at my.dteenergy.com. For more on DTE Energy’s safety record, visit our Corporate Responsibility Report at dteenergy.com/crreport