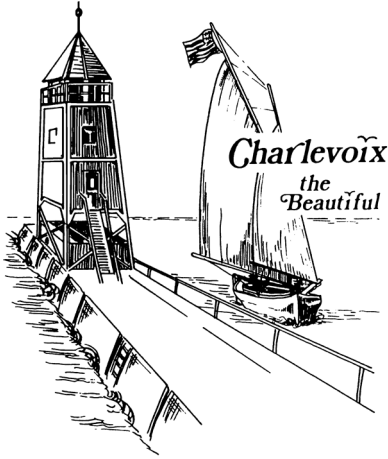


CITY OF CHARLEVOIX

210 STATE ST. CHARLEVOIX, MICH. 49720



Dear Charlevoix Residential Electric Utility Customer,

The City of Charlevoix, in accordance with requirements of the State of Michigan, has established both an Energy Optimization Program and a Renewable Energy Plan for the City's Electric Utility. Below are the required annual summary reports on the status of these programs.

The City, again in accordance with requirements of the State of Michigan, has also established a revised policy for shutting off residential electric service. More information on the shutoff policy is included at the end of this letter.

Copies of the complete 2009 annual reports for both the Energy Optimization and Renewable Energy Plan are available at City Hall and the plans and policy can all be found on the city's website: www.cityofcharlevoix.org.

2009 Annual Summary Report for the Energy Optimization and Renewable Energy Plan

Pursuant to 2008 Public Act 295 (PA 295), the City of Charlevoix is providing this annual summary for the Energy Optimization (EO) and Renewable Energy Plan (REP) for the calendar year 2009.

Energy Optimization Annual Summary

Section 97 (1) The City of Charlevoix has taken the following actions to comply with the EO standards:

- Filed a 4-year Energy Optimization plan with the Michigan Public Service Commission (MPSC) on March 31, 2009 as required by PA 295. This EO plan was approved by the MPSC on July 1, 2009.
- Launched energy optimization programs for all customer classes in September and October of 2009.

Section 97 (2) (a) The number of energy optimization credits that the City of Charlevoix generated in 2009 in kilowatt hours (kWh), and the (b) expenditures made in 2009 and expected future expenditures for 2010 as required by state law PA 295, are shown in the table below:

Program	EO Credits Generated		EO Expenditures	
	2009 Actual (kWh)	2010 Goal (kWh)	2009 Actual (\$)	2010 Budget (\$)
Low Income	1257	6359	817	4133
Residential	59166	108496	6703	13801
Business	18154	334725	12518	36812
Evaluation	NA	NA	1240	2060
Administration	NA	NA	1550	2575
TOTALS	78577	449580	22828	59381

Section 71 (3)(i) In December 2009 the City of Charlevoix contracted with an independent auditor, KEMA, Inc. to verify the incremental gross energy savings for each EO program for 2009 and 2010.

Renewable Energy Plan Annual Summary

Section 51 (1)

The City of Charlevoix has taken the following actions to comply with the REP standards:

- Filed a 20-year Renewable Energy Plan (REP) with the Michigan Public Service Commission (MPSC) on March 31, 2009 as required by PA 295. The REP was found to be in compliance on July 1, 2009.

The City of Charlevoix has made arrangements to invest in landfill gas plants in order to meet the goal of 10% of our energy to be generated by renewables by the year 2015. The first plant is expected to be operational in 2010. In 2009 none of Charlevoix's energy consumption was supplied by renewable energy systems, but that will change starting in 2010. Therefore the City's average renewable energy percentage for the 2009 reporting period was 0%.

The table below shows the incremental cost of compliance for 2009 and the anticipated cost of compliance with state law PA 295 for 2010 (no money was spent on renewable energy generation last year).

Renewable Energy Source	2009 Incremental Cost of Compliance	2010 Anticipated Cost of Compliance
Granger	\$0.00	\$0.00

Other Information Required by PA 295

Section 45 (5)

(a) The 2009 itemized monthly charge for a residential customer for implementing the renewable energy program requirements under PA 295 was \$0.00. This means that the renewable energy that Charlevoix has arranged to purchase at this time is no more expensive than other forms of energy we are buying so therefore there is no increase in your electric bill to meet these renewable requirements.

(b) The 2009 itemized monthly charge for a residential customer for implementing the energy optimization program as required under PA 295 was \$.00115/Kwh so if you use 500 kWh in a month the total charge is 58 cents.

(c) The average electric residential customer is expected to save \$2.92 each month of the Energy Optimization/Efficiency program life.

(d) For the average Michigan residential customer, renewable energy is estimated to avoid \$3.90 per month of new coal-fired generation costs.

(e) The Michigan Public Service Commission's annual report on renewable energy can be viewed at the following website: <http://www.michigan.gov/mpsc>

Shutoff Policy Information

The "General Shutoff Rules for Residential Electric Service" provide guidance on when and under what circumstances a residential customer's electric service may be shut off for non-payment. The policy can be found on the City's website. The policy provides certain protections for certain customers.

If the customer has a senior citizen 65 years of age or older in the household, there are protections against shutoff during the heating and cooling seasons.

If your household income is less than 150% of the Federal Poverty Guidelines, or you are on assistance from a State Emergency Relief program, or you are on food stamps or on Medicaid, then there are similar protections against shutoff as long as a payment plan is established and maintained.

Help may also be available through other agencies, such as the Department of Human Services. The energy assistance telephone number at the Michigan Department of Human Services is 231-348-1600.

If the customer has a medical condition that requires the use of electricity where the interruption of service would be life-threatening, then shutoff can be postponed.

If the customer or spouse is called to active military duty pursuant to MCL 460.9c, then there are military protections from shutoff.

In any of these cases the City must have the customer's information to be able to follow the City policy. Therefore if you believe that you fall under one or more of the above circumstances please call 231-547-3259 and provide the information to be considered for shutoff protections.