

**Change in Transmission Service Loss Factor for Michigan Joint Zone**  
**Effective July 1, 2006**

On August 28, 2006 the FERC approved the First Amendment to the Michigan Joint Zone Amended and Restated Settlement Agreement in Docket ER02-2458-009. This Amendment defined the loss methodology to be used for determining the average transmission loss factor for the Michigan Joint Zone. This loss factor is used in calculating network transmission service demands for billing purposes. The new average transmission loss factor of 1.8503% is effective July 1, 2006.

The new loss factor will be reflected beginning with the September 2006 billings for the service month of August 2006. METC will also be rebilling as appropriate for the service Month of July 2006 to reflect the new loss factor consistent with the FERC order.

September 5, 2006