

At its regularly scheduled meeting on October 12, 2004, the Traverse City Light & Power Board of Directors approved new rates for its customers that will go into effect soon. This included creating a new Life Support System rate.

Some L&P customers will see up to a two percent increase in electric rates while other customers will see up to a two percent decrease in rates.

Below is a comparison of the “Previous Rate” and “Current Rate” for each of the five most popular L&P Customer Rate Classes.

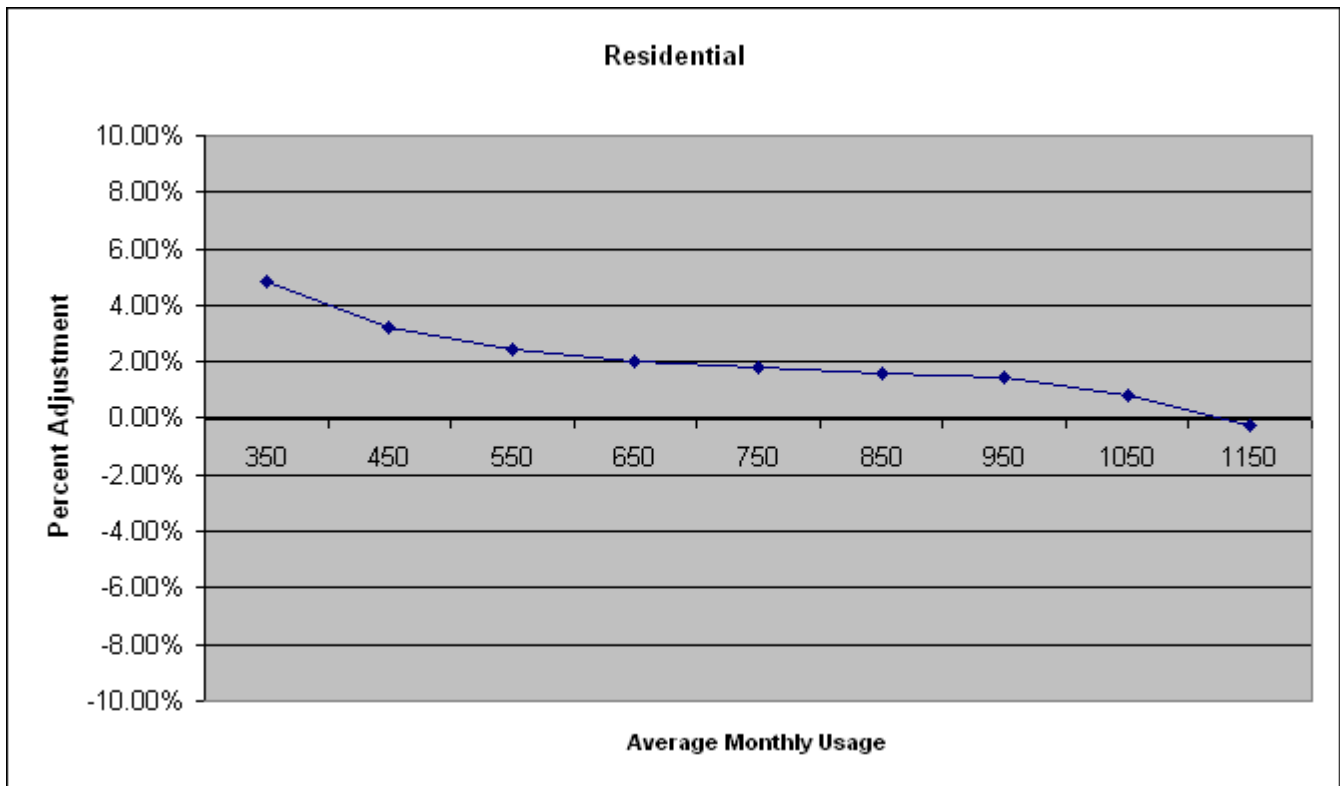
Traverse City Light and Power Rate Design 2005 RESIDENTIAL

Previous Rate
All Season

Monthly Rate	First kWh's 488	Next 519	All Over 1007
\$ 2.00	\$ 0.0633	\$ 0.0731	\$ 0.0820

Current Rate
All Season

Monthly Rate	First kWh's 488	Next 519	Next 1007
\$ 4.00	0.0670	0.0790	0.0790



Traverse City Light and Power

Rate Design 2005

SENIOR RESIDENTIAL

Previous Rate

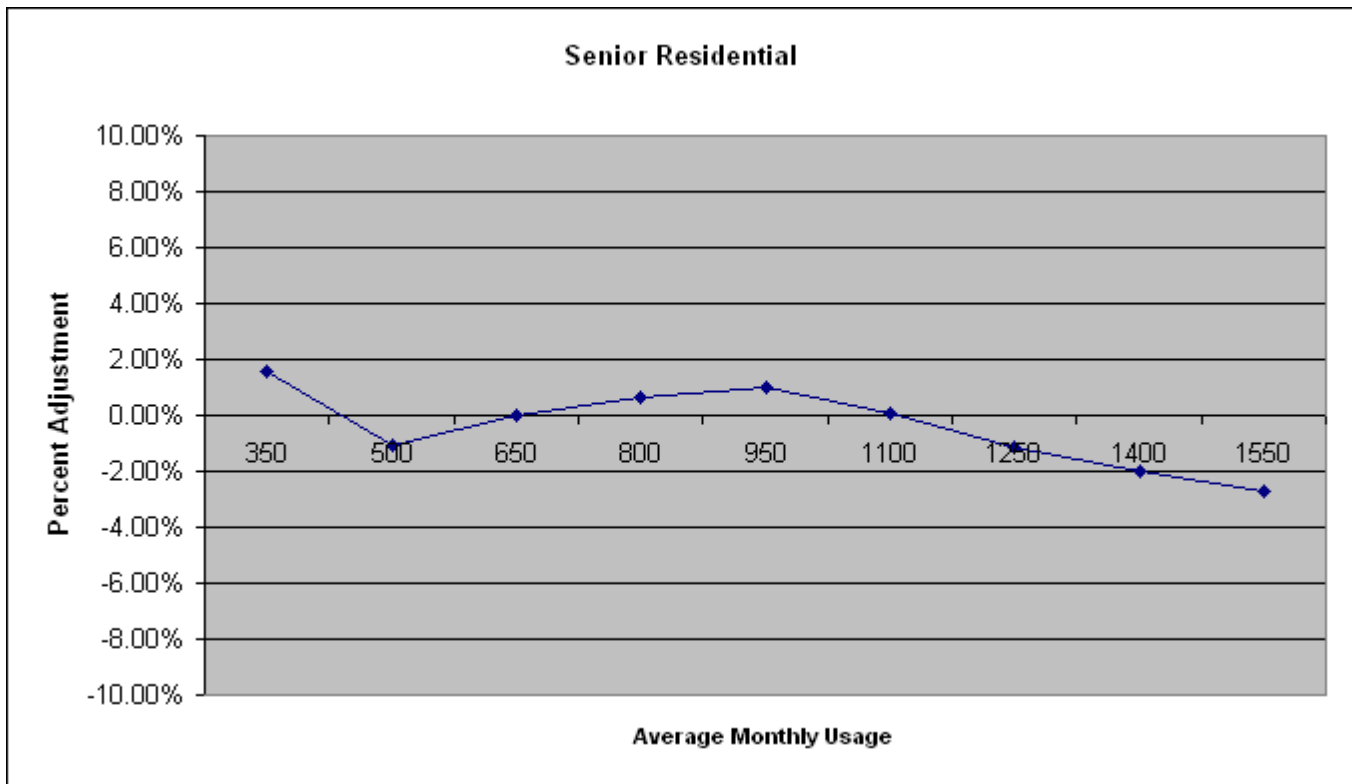
All Season

Monthly Rate	First kWh's 488	Next 519	All Over 1007
\$ -	\$ 0.0530	\$ 0.0830	\$ 0.0930

Current Rate

All Season

Monthly Rate	First kWh's 488	Next 519	Next 1007
\$ 2.00	\$ 0.0540	\$ 0.0910	\$ 0.0910



Traverse City Light and Power

Rate Design 2005 GENERAL SERVICE

Previous Rate

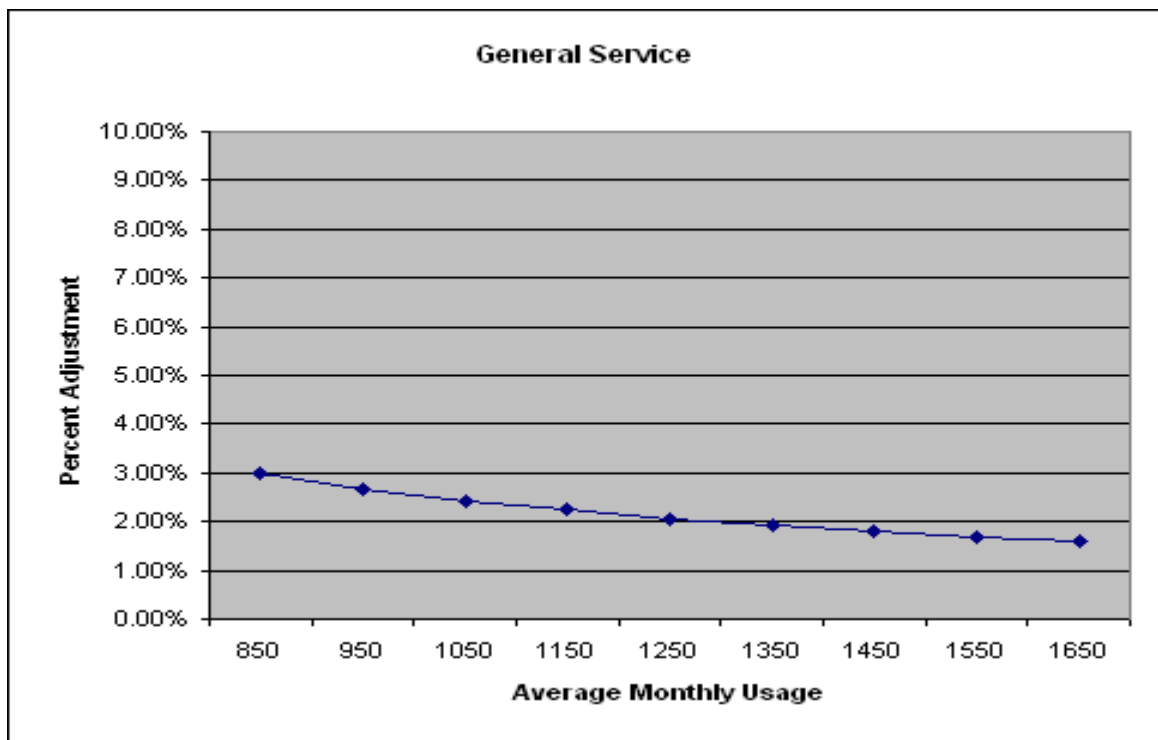
All Season

Monthly Rate	All kWh's
\$ 5.75	\$ 0.0864

Current Rate

All Season

Monthly Rate	All kWh's
\$ 8.25	\$ 0.0922



Traverse City Light and Power

Rate Design 2005

COMMERCIAL DEMAND

Previous Rate

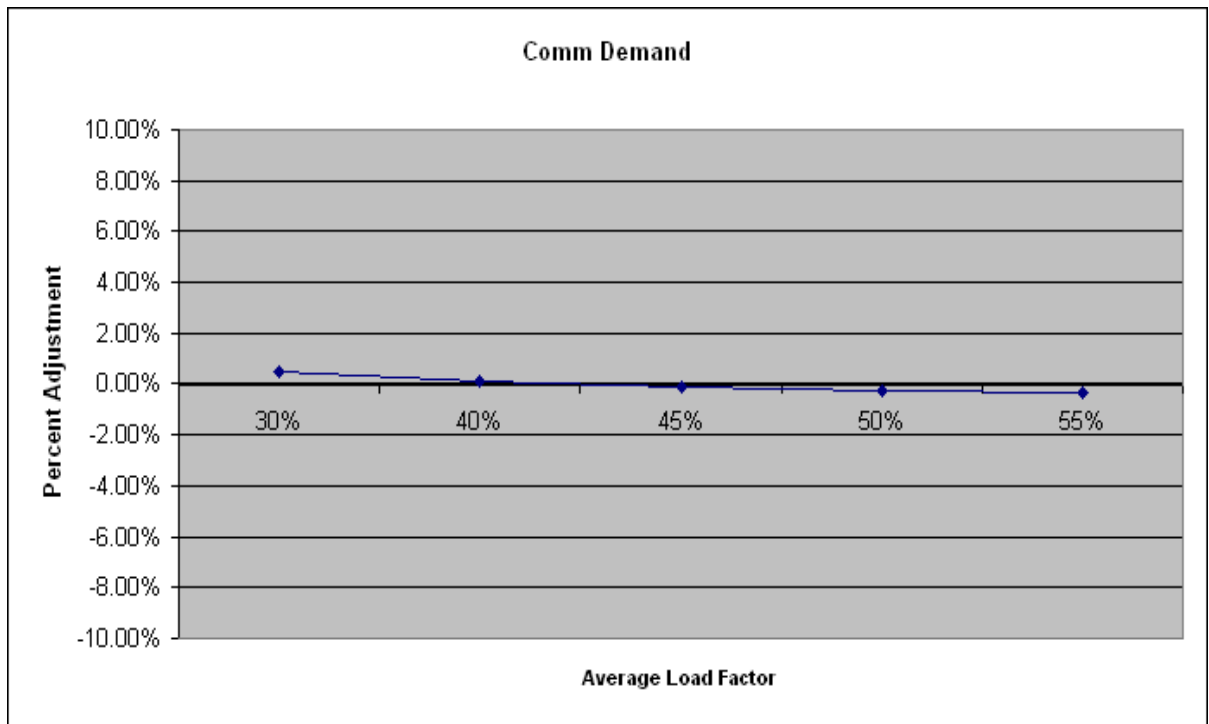
Winter Rate
Summer

Monthly Charge	Demand Charge	kWh Charge	
		First 200/kWh/kW	Excess kWh's
	\$	11.05	0.0362
	\$	11.05	0.0362

Current Rate

Winter Rate
Summer Rate

Monthly Charge	Demand Charge	kWh Charge	
		First 200/kWh/kW	Excess kWh's
10.00	\$	12.05	0.0363
10.00	\$	12.05	0.0363



Traverse City Light and Power

Rate Design 2005

PRIMARY INDUSTRIAL – P RATES

<u>Previous Rate</u>	Monthly Charge	Demand Charge	On-Peak	Intermediate
Winter Rate		\$ 9.50	0.0374	0.0314
Summer		\$ 9.50	0.0374	0.0314

<u>Current Rate</u>	Monthly Charge	Demand Charge	On-Peak	Intermediate & Off-Peak
Winter Rate	20.00	10.10	\$ 0.0430	\$ 0.0325
Summer Rate	20.00	10.10	\$ 0.0432	\$ 0.0325

