

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
to define the area traversed by the Basin Pipeline	)	
System owned and operated by Basin Pipeline,	)	Case No. U-11605
L.L.C., as a nonrural area for the purposes of	)	
establishing gas safety jurisdiction over the pipeline.	)	
_____	)	

At the December 12, 1997 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman  
 Hon. John C. Shea, Commissioner  
 Hon. David A. Svanda, Commissioner

**ORDER APPROVING AGREEMENT AND STIPULATION**

Pursuant to 1969 PA 165, as amended, MCL 483.151 et seq.; MSA 22.1332(1) et seq., (Act 165) and the Michigan Gas Safety Code, 1995 AACCS, R 460.14001 et seq., the Commission has jurisdiction to establish and to enforce gas safety standards for pipeline facilities and for the transportation of gas. Section 1(e) of Act 165 defines "transportation of gas" as meaning "the gathering, transmission, or distribution of gas by pipeline or the storage of gas." MCL 483.151(e); MSA 22.1332(1)(e). However, that section also indicates that transportation of gas "does not include the gathering of gas in rural locations that lie outside the limits of an incorporated or an unincorporated city, town, village, or other designated residential or commercial area such as a subdivision, business or shopping center, community development, or similar populated area that the commission may define as a nonrural area." MCL 483.151(e); MSA 22.1332(1)(e).

Pursuant to the Commission's direction, the Commission Staff (Staff) has been conducting an ongoing review of natural gas gathering lines used to transport gas that contains hydrogen sulfide (H<sub>2</sub>S), a highly toxic and corrosive gas, including the Basin Pipeline System<sup>1</sup>, which is owned and operated by Basin Pipeline, L.L.C. (Basin). Discussions between the Staff and Basin led to the execution of an agreement and stipulation that was submitted to the Commission on December 8, 1997 for approval. The agreement and stipulation indicates that the parties are in agreement that, given the size of the Basin Pipeline System, its operating pressure, the concentration of H<sub>2</sub>S in the natural gas being transported, the existence of nonrural areas in the vicinity of portions of the pipeline, and other factors, the Commission should exercise its authority pursuant to Section 1(e) of Act 165, MCL 483.151(e); MSA 22.1332(1)(e) by defining the area traversed by the Basin Pipeline System as nonrural for the purpose of subjecting that pipeline system to the Commission's gas safety jurisdiction.

The Commission finds that:

- a. Jurisdiction is pursuant to 1969 PA 165, as amended, MCL 483.151 et seq.; MSA 22.1332(1) et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; the Michigan Gas Safety Code, 1995 AACCS, R 460.14001 et seq., and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. The agreement and stipulation is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The agreement and stipulation, attached as Exhibit 1, is approved.

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<sup>1</sup>A complete description of the Basin Pipeline System is contained in Attachment A to the settlement agreement, which is attached to this order as Exhibit 1.

B. The area traversed by the Basin Pipeline System, as described in Attachment A to the agreement and stipulation, is determined to be nonrural for the purpose of subjecting the Basin Pipeline System to the Commission's gas safety jurisdiction pursuant to 1969 PA 165, as amended, MCL 483.151 et seq.; MSA 22.1332(1) et seq., and the Michigan Gas Safety Code, 1995 AACRS, R 460.14001 et seq.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

John G. Strand  
Chairman

( S E A L )

John C. Shea  
Commissioner

David A. Svanda  
Commissioner

By its action of December 12, 1997.

Dorothy Wideman  
Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Chairman

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Commissioner

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By its action of December 12, 1997.

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Suggested Minute:

“Adopt and issue order dated December 12, 1997 approving the agreement and stipulation and defining the area traversed by the Basin Pipeline System as a nonrural area for the purpose of establishing gas safety jurisdiction over the pipeline pursuant to 1969 PA 165 and the Michigan Gas Safety Code, as set forth in the order.”