

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
MICHIGAN CONSOLIDATED GAS COMPANY)
for authority to construct and operate the)
North Chester 19 Pipeline in Otsego County.)
_____)

Case No. U-11681

At the June 26, 1998 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 APPLICATION

On April 17, 1998, Michigan Consolidated Gas Company (Mich Con) filed an application,
pursuant to the provisions of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq.,
requesting authority to construct and operate the North Chester 19 Pipeline.

The proposed pipeline will consist of a 6-5/8 inch outer diameter line approximately 0.75 miles
long, extending from the Chester 18 Central Processing Facility in the SE/4 of Section 18 to a point
of interconnection with Mich Con’s existing 12 inch North Chester Pipeline located in the NE/4 of
Section 21, all in T30N, R2W, Chester Township, Otsego County.

The pipeline will be used to help resolve the current situation in which commingled “dry”
Antrim and “wet” Niagaran gas is being delivered by a single pipeline into Mich Con’s “dry” Antrim
gas transportation system for transport to the South Chester carbon dioxide (CO₂) removal plants.

The proposed separation of “wet” Niagaran gas from the “dry” system will enhance the efficiency and operation of those CO₂ removal plants, and will reduce the overall processing fees incurred by Mich Con Gathering Company, a Mich Con subsidiary.

Attached to the application are engineering specifications covering the construction, testing, and operation of the pipeline to demonstrate compliance with the Michigan Gas Safety Code and a map showing the location of the proposed pipeline. The maximum allowable operating pressure of the pipeline will be 1,440 pounds per square inch gauge and its estimated cost is \$142,317. The application states that the annual total cost of service will be reimbursed to Mich Con by Mich Con Gathering. Thus, Mich Con’s ratepayers will not bear the costs of the proposed North Chester 19 Pipeline.

After reviewing the application, the Commission finds that the pipeline will serve the public convenience and necessity, and that ex parte approval is appropriate.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 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 165, as amended, MCL 483.151 et seq.; MSA 22.1332(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. The map, route, and type of construction of the North Chester 19 Pipeline should be approved.

c. The pipeline is practicable in that it will provide an economic means of delivering natural gas to market.

d. The pipeline will meet the requirements of the Michigan Gas Safety Code if constructed, tested, and operated as proposed.

e. The pipeline will serve the public convenience and necessity.

f. The public interest will be adequately protected without the time and expense of a public hearing.

THEREFORE, IT IS ORDERED that:

A. Michigan Consolidated Gas Company is authorized to construct and operate the North Chester 19 Pipeline in Otsego County, as proposed in its application filed on April 17, 1998 and subject to the requirements of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq.

B. The map, route, and type of construction of the North Chester 19 Pipeline are approved.

C. Within 60 days after construction, Michigan Consolidated Gas Company shall file a completion report including pressure test data and a map of the North Chester 19 Pipeline as constructed.

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

/s/ John G. Strand
Chairman

(S E A L)

/s/ John C. Shea
Commissioner

/s/ David A. Svanda
Commissioner

By its action of June 26, 1998.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Commissioner

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Suggested Minute:

“Adopt and issue order dated June 26, 1998 granting Michigan Consolidated Gas Company authority to construct and operate the North Chester 19 Pipeline in Otsego County, as set forth in the order.”