

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
PAXTON RESOURCES, L.L.C., for authority to)
construct and operate the Alba)
Pipeline in Antrim County.)
_____)

Case No. U-12308

At the July 6, 2000 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER APPROVING APPLICATION

On February 1, 2000, Paxton Resources, L.L.C., (Paxton) 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 Alba Pipeline. On June 14, 2000, Paxton filed an amendment to the application.

The proposed pipeline will consist of a 4-1/2 inch outside diameter pipeline approximately 4.35 miles long, extending from a point of interconnection with Paxton's Alba Central Production Facility (CPF) in the NE/4 of Section 27 to the SRW Chestonia Carbon Dioxide Removal Plant located in the NW/4 of Section 17, all in T30N, R6W, Chestonia Township, Antrim County.

The pipeline will be used to transport natural gas from the Paxton Alba CPF to market by way of the existing gas transmission system.

Attached to the application are engineering specifications covering the construction, testing, and operation of the pipeline to demonstrate compliance with the Michigan Gas Safety Standards 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 \$345,398.

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 AACRS, R 460.17101 et seq.
- b. The map, route, and type of construction of the Alba 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 Standards 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. Paxton Resources, L.L.C., is authorized to construct and operate the Alba Pipeline in Antrim County, as proposed in its application filed on February 1, 2000 and amended on June 14, 2000, 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 Alba Pipeline are approved.

C. Within 60 days after construction, Paxton Resources, L.L.C., shall file a completion report including pressure test data and a map of the Alba Pipeline as constructed.

D. If in the future the Alba Pipeline is operated as a common carrier for third party gas, appropriate filings must be made with the Commission concerning rates and contracts.

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 E A L)

/s/ John G. Strand
Chairman

By its action of July 6, 2000.

/s/ David A. Svanda
Commissioner

/s/ Dorothy Wideman
Executive Secretary

/s/ Robert B. Nelson Its
Commissioner

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B. The map, route, and type of construction of the Alba Pipeline are approved.

C. Within 60 days after construction, Paxton Resources, L.L.C., shall file a completion report including pressure test data and a map of the Alba Pipeline as constructed.

D. If in the future the Alba Pipeline is operated as a common carrier for third party gas, appropriate filings must be made with the Commission concerning rates and contracts.

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MICHIGAN PUBLIC SERVICE COMMISSION

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Suggested Minute:

“Adopt and issue order dated July 6, 2000 granting Paxton Resources, L.L.C., authority to construct and operate the Alba Pipeline in Antrim County, as set forth in the order.”