

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
AURORA ENERGY, LTD. , for approval of)	
construction and the operation of the Alpena LP)	Case No. U-13671
Pipeline in Sanborn Township, Alpena County.)	
_____)	

At the February 5, 2003 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

OPINION AND ORDER

On December 26, 2002, Aurora Energy, Ltd., (Aurora) filed an application, pursuant to the provisions of 1929 PA 9, as amended, MCL 483.101 et seq., requesting authority to construct and operate the Alpena LP Pipeline.

The proposed pipeline will be 5.25 miles in length, consisting of 3.5 miles of 8.625” outside diameter (O.D.) poly pipe and 1.75 miles of 6.625” O.D. steel pipe. The proposed 3.5 mile pipeline will commence at the Aurora carbon dioxide removal facility at the Souva A3-30 salt water disposal well located in the NE/4 of Section 30, T29N, R8E, and extend northeasterly to the Aurora Treasure Island compression facility. The proposed 1.75 mile pipeline will begin at the compression facility and extend southeasterly to a tapsite on Michigan Consolidated Gas Company’s Alpena-Gaylord Pipeline located in the SE/4 of Section 23, T29N, R8E, all in Sanborn Township, Alpena County.

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 6-inch steel pipeline will be 1,191 pounds per square inch gauge (psig) and of the 8-inch poly pipeline will be 100 psig. The estimated cost of the pipeline is approximately \$500,000.

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.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 165, as amended, MCL 483.151 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.
- b. The map, route, and type of construction of the Alpena LP 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. Aurora Energy, Ltd., is authorized to construct and operate the Alpena LP Pipeline in Alpena County, as proposed in its application filed on December 26, 2002 and subject to the requirements of 1929 PA 9, as amended, MCL 483.101 et seq.

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

C. Within 60 days after construction, Aurora Energy, Ltd., shall file a completion report, including pressure test data and a map of the Alpena LP Pipeline as constructed.

D. If in the future the Alpena LP 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.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of February 5, 2003.

/s/ Dorothy Wideman
Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

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Suggested Minute:

“Adopt and issue order dated February 5, 2003 granting Aurora Energy, Ltd., authority to construct and operate the Alpena LP Pipeline in Alpena County, as set forth in the order.”