

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
MAJOR PIPELINE LLC for authority to)	
Construct and operate the Green Timbers)	Case No. U-14077
Pipeline in Otsego County.)	
_____)	

At the April 28, 2004 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ORDER APPROVING APPLICATION

On March 16, 2004, Major Pipeline LLC (Major) filed an application, pursuant to 1929 PA 9, as amended, MCL 483.101 et seq., requesting authority to construct and operate the Green Timbers Pipeline.

The proposed pipeline will consist of a 3½ inch outer diameter line approximately 2.9 miles in length, commencing at the Corwith 29 Central Production Facility owned and operated by Schmude Oil, Inc., in the NW/4 of Section 29, T32N, R2W, Central Corwith Township, and extending generally westerly to a point of interconnection with Quicksilver Resources, Inc.’s Fontinalis Pipeline located in the NW/4 of Section 25, T32N, R3W, West Corwith Township, all in Otsego County. The pipeline will be used to transport natural gas 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, a map showing the location of the pipeline, an environmental assessment, a transportation agreement, a cost estimate, and a five-year schedule projecting revenues, operating expenses, and earnings. The maximum allowable operating pressure of the pipeline is 1,400 pounds per square inch gauge, and the cost of the pipeline is approximately \$399,000. Major has proposed a transportation rate of \$0.495 per thousand cubic feet.

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, 1999 AC, R 460.17101 et seq.
- b. The map, route, and type of construction of the Green Timbers 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. Major Pipeline LLC is authorized to construct and operate the Green Timbers Pipeline in Otsego County, as proposed in its application filed on March 16, 2004 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 Green Timbers Pipeline are approved.

C. Within 60 days after construction, Major Pipeline LLC shall file a completion report including pressure test data and a map of the Green Timbers Pipeline as constructed.

D. Major Pipeline LLC shall file with the Commission signed transportation contracts with any producers that transport natural gas on its pipeline and shall provide transportation in a nondiscriminatory manner.

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 E A L)

/s/ J. Peter Lark

Chair

/s/ Robert B. Nelson

Commissioner

By its action of April 28, 2004.

/s/ Mary Jo Kunkle

Its Executive Secretary

/s/ Laura Chappelle

Commissioner

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MICHIGAN PUBLIC SERVICE COMMISSION

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Suggested Minute:

“Adopt and issue order dated April 28, 2004 granting Major Pipeline LLC authority to construct and operate the Green Timbers Pipeline in Otsego County, as set forth in the order.”