

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
KBD #1, LLC , for authority to construct and)	
operate the Cherryland Express Pipeline in)	Case No. U-15769
Antrim and Grand Traverse counties.)	
_____)	

At the July 1, 2009 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER

On January 16, 2009, KBD #1, LLC (KBD), filed an application, pursuant to the provisions of 1929 PA 9, MCL 483.101 *et seq.*, requesting authority to construct and operate the Cherryland Express Pipeline. On May 14, 2009, KBD filed an erratum to its application.¹

The proposed 12.46 mile, 4.5 inch steel pipeline, will begin at the 45th Parallel Central Processing Facility located in the NW/4 of Section 13, Torchlake Township, T30N, R9W, Antrim County and proceed in a southerly direction to an interconnection with the Whitewater Express Pipeline, approved in Case No. U-15582, located in the NW/4 of Section 9, Whitewater Township,

¹On February 27, 2009, Trendwell Energy Corporation filed a petition to intervene in the proceeding. On April 2, 2009, the petition was withdrawn. On April 15, 2009, and May 14, 2009, Jordan Development Company and Fruit Growers Gathering, LLC, respectively filed petitions to intervene in the proceeding. The petitions were withdrawn on June 3, 2009.

T28N, R9W, Grand Traverse County. The Cherryland Express Pipeline will be used to efficiently 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; and an environmental assessment. KBD filed for an initial transportation rate of \$1.00 per thousand cubic feet and proposed to file executed transportation contracts before initial operation. The maximum allowable operating pressure of the pipeline is 1,480 pounds per square inch gauge and the cost of the pipeline is approximately \$2,150,486. The pipeline will be constructed, tested, and operated in a manner that exceeds the state and federal safety standards.

After reviewing the application and its exhibits, the Commission finds that the map, route, and type of construction of the Cherryland Express Pipeline should be approved. The pipeline will serve the public convenience and necessity; it provides an economic means of delivering natural gas to market; and the Cherryland Express Pipeline will meet the requirements of the Michigan Gas Safety Standards if constructed, tested, and operated as proposed. The public interest will be adequately protected without the time and expense of a public hearing, and *ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. KBD #1, LLC, is authorized to construct and operate the Cherryland Express Pipeline in Antrim and Grand Traverse counties as proposed in its application filed on January 16, 2009 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 Cherryland Express Pipeline are approved.

C. Within 60 days after construction, KBD #1, LLC, shall file a completion report including pressure test data and a map of the Cherryland Express Pipeline as constructed.

D. KBD #1, LLC, shall file in this docket a schedule of rates that it will charge for the services it provides.

E. KBC #1, LLC, shall file with the Commission Staff signed transportation contracts with shippers who transport on its line 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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of July 1, 2009.

Mary Jo Kunkle, Executive Secretary