

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
LEE 8 STORAGE PARTNERSHIP for approval)
of gas storage service rates and authority to)
to construct and operate a gas transmission)
line in Calhoun County, Michigan.)
_____)

Case No. U-10602

At the April 13, 1995 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. Ronald E. Russell, Commissioner
Hon. John L. O'Donnell, Commissioner

AMENDATORY ORDER

On September 27, 1994, the Commission issued an order approving a settlement agreement that authorized Lee 8 Storage Partnership (the Partnership) to construct and operate a 12.5 mile gas transmission pipeline in Calhoun County. The order also approved a request by the Partnership for authority to charge market-based gas storage service rates.

In a March 29, 1995 filing, the Partnership indicates that the gas storage tariff sheet approved by the September 27, 1994 order should be revised in order to eliminate an ambiguity. Although it does not collect a separate charge for moving gas to and from the storage field, the Partnership is concerned that potential customers could become confused regarding this matter because its current tariff sheet does not address the issue. Therefore, the Partnership requests that the Commission authorize an amendment to the tariff. Specifically,

the Partnership asks that the existing heading that describes the market-based rate for storage services be changed from "Market-Based Rate" to "Combined Storage and Transportation Rate."

The Commission finds that the revision requested by the Partnership is reasonable and in the public interest, and should be granted. The Commission also finds that ex parte approval of the revision 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, MCL 483.151 et seq.; 1970 PA 127, MCL 691.1201 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, R 460.17101 et seq.

b. The Partnership's request for authority to revise its tariff for gas storage services is reasonable and in the public interest, and should be approved.

c. Ex parte approval of the tariff revision is appropriate.

THEREFORE, IT IS ORDERED that:

A. The tariff sheet, which is appended to this order as Attachment A, is approved.

B. Within 30 days of the date of this order, Lee 8 Storage Partnership shall file with the Commission four sets of tariff sheets in conformity with Attachment A.

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/ John G. Strand
Chairman

(S E A L)

/s/ Ronald E. Russell
Commissioner

/s/ John L. O'Donnell
Commissioner

By its action of April 13, 1995.

/s/ Dorothy Wideman
Its Executive Secretary

Availability:

Underground natural gas storage service will be made available to all customers desiring service to the extent that:

- a) the Partnership has determined that sufficient, uncommitted storage capacity is available to provide the service requested by the customer; and
- b) the Partnership and the customer have executed a contract for storage service under this rate schedule.

Characteristics of Service:

Any conditions of service not covered by this tariff shall be provided for in the contract between the Partnership and the customer.

Combined Storage and Transportation Rate:

As negotiated between the Partnership and the customer. The maximum effective rate for 100-day firm storage service is \$1.75 per Mcf. The minimum effective rate for 100-day firm storage is \$0.25 per Mcf.

Fuel:

As specified in the contract between the Partnership and the customer, the Partnership shall retain not more than 1.00% of volumes delivered by the customer to the Partnership for storage, and not more than 1.00% of volumes withdrawn from storage by the Partnership for the customer.

Issued October 27, 1994 by
William F. Peters
Representative of General Partner
Monroe, Michigan

Effective for natural gas storage
service rendered on and after
September 27, 1994

Issued under authority of the
Michigan Public Service Commission
dated September 27, 1994
in Case No. U-10602