

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>WISCONSIN PUBLIC SERVICE CORPORATION</b>	)	
for approval of changes to charges and conditions	)	Case No. U-11581
of service found in certain natural gas	)	
transportation contracts.	)	
_____	)	

At the January 28, 1998 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman  
Hon. John C. Shea, Commissioner  
Hon. David A. Svanda, Commissioner

**ORDER APPROVING REVISIONS TO TRANSPORTATION AGREEMENTS**

On November 5, 1997, Wisconsin Public Service Corporation (WPS Corp) filed an application, pursuant to 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq., seeking approval of agreed upon changes in the charges and conditions of service reflected in its existing natural gas transportation agreements with Giddings & Lewis Foundry; Great Lakes Pulp Company; L.E. Jones Company; Flanders Industries, Inc., d/b/a Lloyd Flanders, Inc.; and Menominee River Lumber & Dimensions, LLC.

WPS Corp represents that the revised agreements (each of which is attached to the application) differ from the existing gas transportation agreements by (1) adding a pooling provision, (2) changing of the definition of "day" and "month," (3) including a provision covering peak day

backup and annual supply backup service, (4) substituting a monthly 5% rollover provision for the previously-existing cash-out, (5) revising daily balancing service break points and rates; (6) updating the unauthorized use charges, and (6) adding a provision covering intra-day gas nominations. According to WPS Corp, the new agreements were negotiated at arm's length and willingly executed by the transportation customers. Further, WPS Corp represents that the changes reflected in the new agreements, which were made to be consistent with WPS Corp's natural gas transportation tariff, will not affect its system sales tariffs and charges.

After reviewing the application and the revised agreements, the Commission finds that the proposed revisions are reasonable and in the public interest, and that ex parte approval is appropriate. This ex parte approval is based on WPS Corp's representations that the changes reflected in the new transportation agreements will not increase the cost of service to any system sales customer, and that the parties to the agreements protected their own interests and reached mutually beneficial bargains.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 et seq.; 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 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 revised transportation agreements should be approved.

c. The public interest will be adequately protected without the time and expense of a public hearing.

THEREFORE, IT IS ORDERED that the revised transportation agreements between Wisconsin Public Service Corporation and Giddings & Lewis Foundry; Great Lakes Pulp Company; L.E. Jones Company; Flanders Industries, Inc., d/b/a Lloyd Flanders, Inc.; and Menominee River Lumber & Dimensions, LLC, each of which is attached to the application, are approved.

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 January 28, 1998.

/s/ John C. Shea  
Commissioner

/s/ Dorothy Wideman  
Executive Secretary

/s/ David A. Svanda Its  
Commissioner

c. The public interest will be adequately protected without the time and expense of a public hearing.

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Chairman

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Commissioner By its

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Executive Secretary

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Suggested Minute:

“Adopt and issue order dated January 28, 1998 approving changes to the charges and conditions of service found in natural gas transportation contracts between Wisconsin Public Service Corporation and five customers in its Michigan service territory, as set forth in the order.”