

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)
SEMCO ENERGY GAS COMPANY for)
authority to revise its rules, regulations,)
and rate schedules to allow the provision)
of off-system transportation service.)
_____)

Case No. U-11766

At the September 23, 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 APPLICATION

On August 24, 1998, SEMCO Energy Gas Company (SEMCO) filed an application for authority to revise its rules, regulations, and rate schedules to allow it to provide off-system transportation service.

In its application, SEMCO represents that certain local producers of natural gas having production sites within the vicinity of the company's facilities have requested SEMCO to transport their natural gas for eventual delivery to market. The application further states that certain utilities have expressed an interest in transporting natural gas across SEMCO's system. Currently, SEMCO's rate schedules do not include an off-system transportation tariff.

Attached to the application is a copy of SEMCO's proposed off-system transportation tariff. As set forth in the proposed tariff, the monthly off-system transportation fee would be composed of (1) a monthly administrative fee of \$300; (2) a remote meter charge of \$75 per meter; and (3) a charge, not to exceed \$0.150 per thousand cubic feet, consisting of a demand portion and a commodity portion. Finally, SEMCO represents in its application that the requested authority will not result in an increase in rates.

After reviewing the application, the Commission finds that SEMCO's proposal is reasonable and in the public interest, and should be approved. The Commission further finds that ex parte approval is appropriate.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 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 AACS, R 460.17101 et seq.
- b. SEMCO's application is reasonable and in the public interest, and should be approved.
- c. Ex parte approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. SEMCO Energy Gas Company is authorized to revise its rules, regulations, and rate schedules to implement off-system transportation service pursuant to the tariff attached to this order as Exhibit A.

B. The tariff language set forth on Exhibit A shall take effect on the date following issuance of this order.

C. SEMCO Energy Gas Company shall file with the Commission, within 30 days of issuance of this order, four sets of tariff sheets reflecting the change approved by this order.

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/ John G. Strand

Chairman

(S E A L)

/s/ John C. Shea

Commissioner

/s/ David A. Svanda

Commissioner

By its action of September 23, 1998.

/s/ Dorothy Wideman

Its Executive Secretary

B. The tariff language set forth on Exhibit A shall take effect on the date following issuance of this order.

C. SEMCO Energy Gas Company shall file with the Commission, within 30 days of issuance of this order, four sets of tariff sheets reflecting the change approved by this order.

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

Chairman

Commissioner

Commissioner

By its action of September 23, 1998.

Its Executive Secretary

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Suggested Minute:

“Adopt and issue order dated September 23, 1998 authorizing SEMCO Energy Gas Company to revise its rules, regulations, and rate schedules to allow for the provision of off-system transportation service, as set forth in the order.”