

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)	
WPS-ESI GAS STORAGE, LLC , for a)	
certificate of public convenience and necessity)	Case No. U-12357
to construct and operate the Kimball 27 Pipeline)	
in St. Clair County.)	
_____)	

At the September 18, 2000 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 31, 2000, WPS-ESI Gas Storage, LLC, (WPS-ESI) filed an application, pursuant to the provisions of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq., (Act 9) requesting authority to construct and operate the Kimball 27 Pipeline. On June 6, 2000, WPS-ESI filed an amended application. The proposed pipeline will consist of three segments totaling approximately 5 miles in length. The first segment will consist of an 8 inch diameter line extending from a point of interconnection with the ANR Pipeline Company's Link Pipeline in the NE/4 of Section 21 to a point of interconnection with CMS Gas Transmission and Storage Company's 20 inch pipeline in the SW/4 of Section 10, all in St. Clair Township; the second segment will consist of an 8 inch diameter line running from that point to the Kimball 27 Compressor

Station in the NE/4 of Section 27, Kimball Township; and the third segment will consist of a 6 inch diameter line extending from the compressor station to a pair of wellheads located in the SW/4 of Section 27 and the NW/4 of Section 34, respectively, all in Kimball Township, St. Clair County.

Pursuant to due notice, a prehearing conference was held on August 1, 2000 before Administrative Law Judge James N. Rigas. WPS-ESI and the Commission Staff participated in the proceedings.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that the construction and operation of the Kimball 27 Pipeline will serve the public interest and necessity. The settlement agreement further provides, among other things, that the pipeline's route and construction specifications are reasonable and should be approved and that WPS-ESI will operate the pipeline as a common carrier pursuant to Act 9.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 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 165, as amended, MCL 483.151 et seq.; MSA 22.1332(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 AACSR 460.17101 et seq.
- b. The settlement agreement is reasonable and in the public interest, and should be approved.
- c. The map, route, and type of construction of the Kimball 27 Pipeline should be approved.

d. When constructed and operated in accordance with the terms and conditions of the settlement agreement, the pipeline will serve the public convenience and necessity.

e. The pipeline will meet the requirements of the Michigan Gas Safety Standards if constructed, tested, and operated as proposed.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. WPS-ESI Gas Storage, LLC, is authorized to construct and operate the Kimball 27 Pipeline in St. Clair County, in the manner discussed in the settlement agreement and subject to the requirements of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq.

C. The map, route, and type of construction of the Kimball 27 Pipeline are approved.

D. Within 60 days after construction, WPS-ESI Gas Storage, LLC, shall file a completion report including pressure test data and a map of the Kimball 27 Pipeline as constructed.

E. Before the Kimball 27 Pipeline is operated as a common carrier for third party gas, appropriate filings must be made with the Commission concerning rates and contracts.

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/ David A. Svanda

Commissioner

/s/ Robert B. Nelson

Commissioner

By its action of September 18, 2000.

/s/ Dorothy Wideman

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

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By its action of September 18, 2000.

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Suggested Minute:

“Adopt and issue order dated September 18, 2000 approving the settlement agreement and authorizing WPS-ESI Gas Storage, LLC, to construct and operate the Kimball 27 Pipeline in St. Clair County, as set forth in the order.”