

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
GREAT LAKES ENERGY GAS SERVICES,)	
L.L.C., for a certificate of public convenience and)	Case No. U-13422
necessity to provide gas service in Pleasanton)	
Township, Manistee County.)	
_____)	

At the December 6, 2002 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On May 22, 2002, Great Lakes Energy Gas Services, L.L.C., (GLE Gas Services) filed an application, pursuant to the provisions of 1929 PA 69, as amended, MCL 460.501 et seq., requesting a certificate of public convenience and necessity to extend its facilities and to provide gas service to customers in Pleasanton Township, Manistee County.

Pursuant to due notice, a prehearing conference was held on July 2, 2002 before Administrative Law Judge George Schankler. GLE Gas Services 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 (1) GLE Gas Services has obtained the requisite franchise to provide gas service in Pleasanton Township, (2) providing GLE Gas Services with a certificate of public convenience and necessity

for that township will serve the public interest, and (3) the requested certificate of public convenience and necessity should be granted.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1929 PA 69, as amended, MCL 460.501 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.

b. The settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

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

B. Great Lakes Energy Gas Services, L.L.C., is granted a certificate of public convenience and necessity to provide gas service to customers in all portions of Pleasanton Township, Manistee County, for which it has a franchise, provided that: (1) construction and maintenance of the facilities identified in the settlement agreement complies with the Michigan Gas Safety Standards and applicable Commission rules, and no newly-constructed lines cross another utility's gas mains or service lines or parallel another utility's mains or service lines within a street or right-of-way; (2) any extension of service pursuant to the certificate of public convenience and necessity granted by this order must be consistent with the company's then-existing customer attachment program or main extension policy; and (3) prior to constructing any extension of a main within a township section occupied by another utility, Great Lakes Energy Gas Services, L.L.C., must give 30 days' written notice to the Commission Staff and the other utility, identifying the location of the

proposed extension and providing a copy of its customer attachment program or main extension policy, if applicable.

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 E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of December 6, 2002.

/s/ Dorothy Wideman
Its Executive Secretary

proposed extension and providing a copy of its customer attachment program or main extension policy, if applicable.

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

Commissioner

Commissioner

By its action of December 6, 2002.

Its Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
GREAT LAKES ENERGY GAS SERVICES)	Case No. U-13422
L.L.C. for a certificate of public convenience)	
and necessity relative to Pleasanton Township,)	
Manistee County.)	

SETTLEMENT AGREEMENT

On May 22, 2002, Great Lakes Energy Gas Services, L.L.C. ("GLE Gas Services") filed an application for a certificate of public convenience and necessity to extend its facilities and to provide gas service to customers in Pleasanton Township, Manistee County, Michigan. On June 6, 2002, the Commission issued its Notice of Hearing. In accordance with the Commission's Notice of Hearing, GLE Gas Services provided the requisite notice to the Pleasanton Township Clerk, the Manistee County Clerk, and Superior Energy Company.

At the July 2, 2002 prehearing conference, GLE Gas Services presented proof of service of the Notice of Hearing and appearances were entered on behalf of GLE Gas Services and Commission Staff ("Staff"). Also, a preheating conference was established by presiding Administrative Law Judge George Schankler ("ALJ"). Based on discussions in this matter, the parties have agreed to enter into this Settlement Agreement.

This Settlement Agreement is submitted pursuant to Section 78 of the Administrative Procedures Act of 1969, as amended (1969 PA 306, §78; MCL 24.278) and Rule 333 of the Commission's Rules of Practice and Procedure, R 460.17333. By this Settlement Agreement, GLE Gas Services and Staff hereby agree and stipulate as follows:

- A. GLE Gas Services has obtained the requisite franchise to provide gas service in Pleasanton Township, Manistee County, Michigan.

B. GLE Gas Services' proposed initial facilities are depicted on the map attached hereto as Exhibit A. The requested certificate of public convenience and necessity to provide gas service to customers in Pleasanton Township, Manistee County, Michigan is in the public interest and should be granted.

C. GLE Gas Service can serve new customers in the area of Pleasanton Township, Manistee County, Michigan where it has a franchise and in a manner that does not create an undue safety concern. All facilities will be constructed, maintained and operated in a manner which satisfies the requirements of the Michigan Gas Safety Code and applicable Commission rules. Additionally, newly constructed gas mains or services lines will not cross another utility's mains or service lines or parallel another utility's mains or service lines within a street or right-of-way.

D. GLE Gas Services agrees that any extension of service pursuant to the requested certificate of public convenience and necessity will be consistent with the utility's then existing customer attachment program or main extension policy.

E. Prior to commencement of construction of any extension of main within a township section occupied by another utility, GLE Gas Services will provide 30 days' prior written notice of the same to the Michigan Public Service Commission Competitive Service Section Staff and the other utility, which notice shall identify the location of the proposed extension and include a copy of the utility's CAP worksheet or main extension policy, if applicable.

F. A rate book will be submitted to Staff.

G. A financial statement concerning only those areas in which GLE Gas Services has obtained certificates of public convenience and necessity to extend its facilities and to provide gas service will be submitted to Staff.

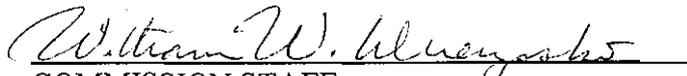
H. This Settlement Agreement is without precedential effect and is intended only for final disposition of the issues in this proceeding. The parties hereto join in respectfully requesting the Commission to grant prompt approval of same. It is the opinion of the signatories hereto that this Settlement Agreement will be in the public interest, aid the expeditious conclusion of this case and minimize the time and expense which would otherwise have to be devoted to this matter by the Commission and the parties.

I. Each signatory hereto agrees not to appeal, challenge or contest the certificate approved by the Commission in this case if it is the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

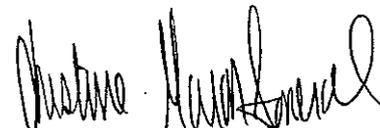
J. Section 81 of the Administrative Procedures Act of 1969 is waived by the signatories hereto, if this Settlement Agreement and Stipulation is approved by the Commission without modification.

K. Staff certifies that this Settlement Agreement is reasonable and in the public interest.

Dated: October 25, 2002


COMMISSION STAFF
By William W. Derengoski (P34242)
Assistant Attorney General
6545 Mercantile Way, Ste. 15
Lansing, MI 48911
(517) 241-6680


Dated: October 24, 2002


GREAT LAKES ENERGY GAS SERVICES, LLC

By Albert Ernst (P24059)
Christine Mason Soneral (P58820)
DYKEMA GOSSETT PLLC
124 W. Allegan, Suite 800
Lansing, MI 48933
(517) 374-9155/(517) 374-9184

LAN01197385.1
ID\CMMMA

.

