

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
WASHINGTON 10 STORAGE CORPORATION)	
for a certificate of public convenience and)	Case No. U-14020
necessity to increase the maximum stabilized)	
wellhead pressure of its storage facility.)	
_____)	

At the June 29, 2004 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ORDER APPROVING APPLICATION

On February 12, 2004, Washington 10 Storage Corporation (Washington 10) filed an application, testimony, and exhibits requesting authority to increase the maximum stabilized wellhead pressure of the storage field located in Washington Township and in the village of Romeo, Michigan. Presently, the storage field is authorized to operate with a maximum stabilized wellhead pressure of 1,448 pounds per square inch-gauge (psig), with a pressure gradient of 0.48 pounds per square inch-atmosphere (psia) per foot. The present total capacity of the storage field is approximately 51 million dekatherms (MMDth), with a maximum sustainable withdrawal rate of 450,000 dekatherms (Dth) per day.

Washington 10 proposes to increase the storage field's maximum stabilized wellhead pressure to 1,900 psig, which yields a pressure gradient of 0.63 psia per foot. Washington 10 estimates that

the increase in the maximum stabilized wellhead pressure will increase the total capacity of the field to over 60 MMDth and will increase the maximum sustainable withdrawal rate to approximately 570,000 Dth per day. Washington 10 plans to achieve the proposed increase by using existing compression facilities, by constructing a new gathering header, and by adding additional equipment and working gas, all at an estimated cost of \$17.2 million (the Project). Incorporated into the application are: 1) testimony and exhibits detailing the engineering specifications covering the construction, testing, and operation of the storage field demonstrating compliance with the Michigan Gas Safety Standards; 2) a map showing the location of the storage field and its facilities; 3) maps depicting the field geology; 4) an environmental assessment; and 5) a cost estimate for the Project. In its application, Washington 10 does not propose to change its existing rates for services.

After reviewing the application, the Commission finds that Washington 10's proposed Project will serve the public convenience and necessity and that the storage field is safe for the proposed increase in maximum stabilized wellhead pressure and operation of gas storage. The Commission finds that the type of construction for the Project as described in the application, testimony, and exhibits of Washington 10 should be approved. The Commission further finds that project facilities will be constructed, maintained, and operated in a manner that meets and satisfies the requirements of the Michigan Gas Safety Standards and applicable Commission rules; and that ex parte approval is appropriate.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1923 PA 238, as amended, MCL 486.251 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.; 1929 PA 9, as amended, MCL 483.101 et seq.; 1969 PA 165, as

amended, MCL 483.151 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

b. The proposed facilities will meet the requirements of the Michigan Gas Safety Standards if constructed, maintained, tested, and operated as described in the application, testimony, and exhibits.

c. Applicant should submit annual reservoir data to the Staff and any anomalies should be reported to the Staff immediately. The type of construction for project facilities should be approved.

d. The storage field resulting from the Project will serve the public convenience and necessity.

e. If developed and operated as set forth in the application, testimony, and exhibits, the storage field will be safe for expansion and operation of gas storage.

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

THEREFORE, IT IS ORDERED that:

A. Washington 10 Storage Corporation is granted a certificate of public convenience and necessity to increase the maximum stabilized wellhead pressure for and to operate the Washington 10 natural gas storage field located in Washington Township and the village of Romeo as described in the application, testimony, and exhibits. All anomalies shall be reported immediately to the Commission Staff.

B. The type of construction for the proposed facilities is approved.

C. Washington 10 Storage Corporation shall submit annual reservoir data to the Commission Staff.

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/ J. Peter Lark

Chair

(S E A L)

/s/ Robert B. Nelson

Commissioner

/s/ Laura Chappelle

Commissioner

By its action of June 29, 2004.

/s/ Mary Jo Kunkle

Its Executive Secretary

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

Chair

Commissioner

Commissioner

By its action of June 29, 2004.

Its Executive Secretary

In the matter of the application of)
WASHINGTON 10 STORAGE CORPORATION)
for a certificate of public convenience and)
necessity to increase the maximum stabilized)
wellhead pressure of its storage facility.)
_____)

Case No. U-14020

Suggested Minute:

“Adopt and issue order dated June 29, 2004 granting Washington 10 Storage Corporation a certificate of public convenience and necessity to increase the maximum stabilized wellhead pressure for and to operate the Washington 10 natural gas storage field located in Washington Township and the village of Romeo, as set forth in the order.”