

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for a certificate of public convenience and)	Case No. U-21589
necessity to construct and operate the pipelines)	
for the Lyon 29/34 Project.)	
_____)	

At the July 2, 2024 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER

On March 6, 2024, Consumers Energy Company (Consumers) filed an application, with supporting exhibits, pursuant to Public Act 9 of 1929 (Act 9), MCL 483.101 *et seq.*, requesting that the Commission grant *ex parte* approval of the construction and operation of the following natural gas pipelines located in Section 29, T01N, R07E, Lyon Township, Oakland County: (1) a new, approximate 500-foot, 12-inch pipeline connecting the existing Lyon 29 well to new gas processing equipment (Lyon 29 Well Line); (2) an approximate 750-foot extension of the existing 12-inch 29/34 Line to new gas processing equipment; and (3) a new, approximate 1,200-foot, 16-inch pipeline (5050 Line) to connect the new gas processing equipment to the existing 16-inch 1020 Line. Attached to the application are a map showing the proposed route of the pipelines; general specifications addressing the construction, testing, and operation of the pipelines; a cost

estimate for the pipelines; an environmental impact report; and anticipated revenue requirements, operating expenses, and earnings associated with the project over a five-year period.

In its application, Consumers states the new pipelines are needed to transport natural gas from the Lyon 29 and Lyon 34 wells to the new gas processing equipment, and then tie into the existing 1020 Line, and that the new gas processing equipment is necessary to improve gas purity, measurement accuracy, and pipeline reliability by reducing corrosive components from the gas stream and improving site performance. Consumers asserts that it will comply with all applicable regulatory requirements in its construction of the proposed pipelines, including all applicable safety and environmental requirements; that it will obtain all necessary permits for construction and operation; and that all designs and material specifications of the proposed pipelines shall be in accordance with the Michigan Gas Safety Standards, along with applicable federal, state, and local laws and regulations. Consumers further states that the entirety of the proposed pipelines will be located on property that the company currently owns, that completion of the proposed pipelines is anticipated in 2025, and that the estimated cost of the pipelines is approximately \$5.1 million, which will be addressed in a general natural gas rate case. Application, pp. 2-4.

The Commission has reviewed the application and exhibits, including the environmental impact report, and finds that the map, route, and type of construction are reasonable and should be approved, subject to such minor changes in location as Consumers may find necessary upon actual construction. The Commission finds that the proposed pipelines, when constructed and in operation, will serve the convenience and necessity of the public.

The Commission finds that, although there will be minor impairment to the environment if the pipelines are constructed as proposed, there is no other feasible and prudent alternative to this impairment. According to the environmental impact report, attached to the application as

Exhibit D, the company's construction methods, environmental procedures, and mitigation measures are intended to meet or exceed applicable federal, state, and local environmental protection and erosion control specifications and practices. The environmental impact report describes in further detail the standard pipeline construction methods Consumers will use when installing the pipelines and states that the construction workspace will be reduced where possible to minimize impacts. The environmental impact report discusses alternatives to the project—including a no-action alternative and location alternatives—concluding that taking no action would not satisfy revised gas purity standards for natural gas in Michigan and would lead to long-term consequences and that alternative locations considered were not viable. The environmental impact report also describes avoidance alternatives Consumers will incorporate in the project area to minimize impacts to environmental resources wherever possible including details about using a bore, segregating soil, seeding emergent wetlands, addressing unavoidable forested wetland impacts, and planting back forested and scrub-shrub areas. The environmental impact report further describes how Consumers will limit any impact to listed species and their habitats, including any potential bat trees in the project area being removed during the clearing window, and how the company will ensure any cultural resources identified during construction are protected. The environmental impact report concludes that based on best management practices that will be implemented by the company during construction and operation of the proposed project impacts to sensitive resources will be avoided and minimized.

Having reviewed the application and environmental impact report, the Commission concludes that, given the proposed route, construction methods, and mitigation steps Consumers has agreed to employ to minimize adverse environmental impacts, any environmental impairment caused by the proposed pipeline is *de minimis* and “consistent with the promotion of the public health, safety

and welfare in light of the state's paramount concern for the protection of its natural resources from pollution, impairment or destruction.”” *Mich State Hwy Comm v Vanderkloot*, 392 Mich 159, 185; 220 NW2d 416 (1974) (quoting MCL 691.1203, which has been replaced by MCL 324.1703).

The filed application and exhibits support the required agency review and environmental obligations of the Commission that arise from Michigan's Environmental Protection Act, MCL 324.1701 *et seq.* The Commission notes, however, that a finding of public convenience and necessity pursuant to Act 9 does not determine that the proposed project complies with any other applicable statutes or environmental reviews.

The Commission finds that *ex parte* review and approval of the application are appropriate because the application does not seek to increase rates and does not require the acquisition of any new rights-of-way. As noted in the company's application, issues relating to recovery of costs related to this project will be addressed in a future natural gas general rate case. Application, p. 4. The Commission further notes that, consistent with the Commission's Tribal Involvement Guide, the Commission's Tribal Liaison sent an application overview, and invitation for informal consultation, to all of Michigan's Native American Tribes and that no Michigan Tribe requested an informal consultation regarding this application.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company is authorized to construct and operate the Lyon 29 Well Line, the extension of the 29/34 Line, and the 5050 Line as proposed in the company's application filed on March 6, 2024, and subject to the requirements of Public Act 9 of 1929, MCL 483.101 *et seq.*

B. The map, route, and type of construction of the Lyon 29 Well Line, the extension of the 29/34 Line, and the 5050 Line are approved, allowing for minor route deviations where necessary;

however, Consumers Energy Company shall not begin construction until all necessary permits have been acquired.

C. Within 60 days after completion of construction, Consumers Energy Company shall file a completion report, including pressure test data and a map of the pipelines as constructed.

D. If Consumers Energy Company provides transportation for others, it shall file with the Commission signed transportation contracts and shall provide transportation in a nondiscriminatory manner.

E. Upon abandonment or deactivation, the pipelines shall be abandoned in accordance with the Michigan Gas Safety Standards, MCL 483.151 *et seq.*

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. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at hugheys@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of July 2, 2024.

Lisa Felice, Executive Secretary


PROOF OF SERVICE

STATE OF MICHIGAN)

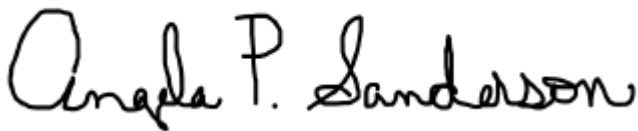
Case No. U-21589

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 2, 2024 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 2nd day of July 2024.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21589

Name	On Behalf Of	Email Address
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
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