

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for a certificate of public convenience and)	Case No. U-21842
necessity to construct and operate pipelines in)	
the Hessen Storage Field.)	
_____)	

At the July 10, 2025 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 APPROVING SETTLEMENT AGREEMENT

On December 18, 2024,¹ Consumers Energy Company (Consumers) filed an application in this case, with supporting testimony and exhibits, pursuant to Public Act 9 of 1929 (Act 9), MCL 483.101 *et seq.*, requesting Commission approval for the construction and operation of new and re-routed pipelines in the Hessen Storage Field. According to the application, Consumers is seeking authority to construct and operate a new 16-inch diameter mainline, which will replace existing mainlines and laterals, and to also replace and adjust the route of several well lines to connect to the new mainline. Per the application, the replacement work will: (1) increase the

¹ The settlement agreement, discussed below, reflects this date as December 18, 2025. Settlement agreement, p. 1. The Commission, however, considers this to be a minor typographical error in the settlement agreement as December 18, 2025, has not yet occurred and the docket demonstrates that the application was indeed filed by the company on December 18, 2024. *See*, Case No. U-21842, filing #U-21842-0001.

deliverability of the storage field while reducing maintenance needs, (2) provide additional winter peak-day capacity to the company's natural gas transmission system, (3) replace piping identified as high risk, and (4) add launcher and receiver barrels and full port valves to facilitate online pigging capabilities, allowing for the new mainline to be inspected without removing it from service and reducing the amount of gas venting to the atmosphere. The application further provides that the total pipe installation consists of approximately 9,000 feet of 16-inch steel pipe, 550 feet of 6-inch steel pipe, and 10,000 feet of 4-inch steel pipe, with the pipelines located in Sections 2, 3, 10, and 11, T4N, R15E, Casco Township, St. Clair County, Michigan, and with construction completion anticipated in 2025 and estimated costs of approximately \$13,752,149 to be addressed for recovery in a natural gas general rate case. Application, pp. 1-5; *see also, id.*, Exhibit C.

On March 12, 2025, a prehearing conference was held before Administrative Law Judge Christopher S. Saunders. Consumers and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

The Commission additionally finds that the map, route, and type of construction are reasonable and should be approved. As agreed by the parties, minor route deviations "shall not extend beyond property where Consumers Energy has the necessary property rights to construct the Proposed Pipelines." Settlement agreement, p. 3. The Commission further agrees with the parties and finds that the project will serve the convenience and necessity of the public by

increasing deliverability of the Hessen Storage Field while reducing maintenance costs, providing additional winter peak-day capacity to Consumers' natural gas transmission system, replacing pipeline that has been identified as high risk, and adding pipeline components to facilitate online pigging capabilities, thereby preventing service disruptions and mitigating environmental impacts. *Id.*, p. 2. Additionally, as agreed by the parties, Consumers will obtain all necessary permits and property rights before construction begins on the proposed pipelines. *Id.*, p. 3.

As described in the environmental impact report, attached to the company's application as Exhibit D and as referenced in the settlement agreement, Consumers will implement construction methods and best management practices to avoid and minimize potential environmental impacts, such as erosion control measures and standard pipeline construction methods for the installation of the pipeline, including clean-up and restoration. The environmental assessment report further describes alternative options considered for the project, concluding that the project as proposed will upgrade the existing storage field and replace aging infrastructure, thereby allowing Consumers to increase deliverability. Moreover, per the environmental impact report, taking no action will result in the storage field continuing to degrade and require increased maintenance and downtime. Other size alternatives for the new proposed 16-inch mainline would result in increased environmental impacts and costs. The environmental impact report further concludes that the project will result in temporary impacts to wetlands, as wetlands will be restored; that forested wetlands, if impacted, will be converted to emergent wetland and mitigated via the purchase of wetland bank credits; and that the majority of special species were avoided and any impacts to special plants will be mitigated by way of seeding and/or transplantation.

Given the above, the Commission finds that there will be minor impairment to the environment if the project is constructed as proposed but that there is no other feasible and prudent

alternative to this impairment and that, given the construction methods, best management practices, and mitigation steps the company will employ to minimize adverse environmental impacts, any environmental impairment caused by the project 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. Settlement agreement, pp. 4-5. The Commission further finds that the application, testimony, exhibits, and settlement agreement support and satisfy the required agency review and environmental obligations of the Commission that arise from the Michigan Environmental Protection Act (MEPA), MCL 324.1701 *et seq.*, and the Michigan Supreme Court's application of MEPA in *Mich State Hwy Comm v Vanderkloot*, 392 Mich 159, 185; 220 NW2d 416 (1974). The Commission notes, however, that a finding of public convenience and necessity pursuant to Act 9 is not a determination that the project complies with any other applicable statutes or environmental reviews.

The Commission also notes that “[o]n January 8, 2024, the Commission’s Legislative and Tribal Liaison emailed the Tribes of Michigan with an application overview and invitation for an informal consultation, in accordance with Executive Directive 2019-17,” to which the Staff “did not receive requests for informal consultation,” and that “[i]n the event that cultural resources are discovered during the course of the construction activities, Consumers [E]nergy will follow its Unanticipated Discover[y] Plan.” Settlement agreement, pp. 1, 4; *see also*, Exhibit D, Appendix H.

THEREFORE, IT IS ORDERED that:

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

B. The route and type of construction of the project are approved, allowing for minor route deviations as described in the settlement agreement. As set forth in the settlement agreement, Consumers Energy Company shall obtain all necessary permits and property rights before construction begins on the project.

C. Within 60 days after completion of construction, Consumers Energy Company shall electronically file, to the docket, a completion report containing an “as built” map of the project and pressure test data.

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 project 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 sheac1@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 10, 2025.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
CONSUMERS ENERGY COMPANY)
for a Certificate of Public Convenience and)
Necessity to Construct and Operate)
Pipelines in the Hessen Storage Field)
_____)

Case No. U-21842

SETTLEMENT AGREEMENT

On December 18, 2025, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application with the Michigan Public Service Commission (“MPSC” or the “Commission”), pursuant to 1929 PA 9 (“Act 9”), MCL 483.101 *et seq.*, for approval of the construction and operation of new and re-routed pipelines in the Hessen Storage Field (the “Proposed Pipelines”).

On January 8, 2024, the Commission’s Legislative and Tribal Liaison emailed the Tribes of Michigan with an application overview and invitation for an informal consultation, in accordance with Executive Directive 2019-17. MPSC Staff (“Staff”) did not receive requests for informal consultation.

The initial pre-hearing conference in this case was held on March 12, 2025, before Administrative Law Judge Christopher S. Saunders. The parties to the case are Consumers Energy and the Staff (the “Parties”). The Parties have agreed to resolve all issues in this case by this Settlement Agreement.

For purposes of settlement of all issues in Case No. U-21842, the undersigned Parties agree and stipulate as follows:

1. Consumers Energy is proposing to install a new 16-inch diameter mainline, which

will replace two existing 12-inch diameter mainlines, two existing 6-inch diameter laterals, and an existing 4-inch diameter lateral. Replacing these lines with a new 16-inch mainline minimizes environmental impact and costs. The Company is also replacing a number of well lines and adjusting the route of some of these well lines to connect to the new 16-inch diameter mainline. The rerouted well lines applicable to this request for approval under Act 9 include the H-103, H-106, H-107, H-108, H-110, H-111, and H-112 well lines.

2. This pipeline replacement work at the Hessen Storage Field is necessary for the safe and efficient conduct of the Company's public utility business and will serve the public interest. The replacement work will: (i) increase the deliverability of the storage field while reducing the maintenance needs; (ii) provide additional winter peak-day capacity to the Company's natural gas transmission system; (iii) replace piping that has been identified as high risk, including piping that was installed in 1967, 1976, 1989, and 1996; and (iv) add launcher and receiver barrels and full port valves to facilitate online pigging capabilities, allowing for this 16-inch mainline to be inspected without removing it from service, reducing the amount of venting gas to the atmosphere. The total pipe installation consists of approximately 9,000 feet of 16-inch steel pipe, 550 feet of 6-inch steel pipe, and 10,000 feet of 4-inch steel pipe. These pipelines (the "Proposed Pipelines") are located in Sections 2, 3, 10, and 11, T4N, R15E, Casco Township, St. Clair County.

3. The Parties agree that Consumers Energy will construct the Proposed Pipelines utilizing API 5L PSL 2 pipe, and will construct, test, and operate the Proposed Pipelines in a manner that meets or exceeds applicable codes, standards, and construction practices, including those contained in the Michigan Gas Safety Standards, MCL 483.152 *et seq.* The Parties agree that all designs, material specifications, construction, operation, and maintenance of the Proposed

Pipelines shall comply with or exceed the Michigan Gas Safety Standards. Consumers Energy anticipates completing construction of the Proposed Pipelines in 2025.

4. The Parties agree that the Proposed Pipelines are necessary for the safe and efficient conduct of the Company's public utility business and will serve the public interest.

5. Consumers Energy will obtain all federal, state, local, and tribal permits necessary for the construction and operation of the pipelines and will comply with all applicable MPSC and other regulatory requirements in its construction of the Proposed Pipelines, including but not limited to, all applicable safety and environmental requirements. Consumers Energy has or will secure any rights-of-way necessary prior to beginning construction of the Proposed Pipelines.

6. The Parties agree that the map, route, and type of construction are reasonable and should be approved, subject to such minor deviations in location as Consumers Energy finds necessary during actual construction. Minor deviations shall not extend beyond property where Consumers Energy has the necessary property rights to construct the Proposed Pipelines.

7. For property that Consumers Energy must acquire a Property Right, Consumers Energy will work with the landowner to resolve the location of the Proposed Pipelines to a mutually beneficial location or alternative location that is: (i) no more than 200 feet from the centerline of the Approved Route; (ii) does not result in crossing the property of an adjacent landowner who was not mailed notice of this proceeding according to the MPSC's February 10, 2025 directives; (iii) does not result in changing the Approved Route or agreed/alternative route/location on any adjacent parcel except where adjacent landowners agree to the reroute of the Proposed Pipelines across both parcels of land; (iv) does not result in Consumers Energy losing the benefit of rights already granted and paid; (v) does not affect the safety, operation, and route limitations; and (vi) does not require any new or additional, or amendments to, any permit, studies,

or approvals. It is agreed by the parties that alternate locations that meet these conditions are considered Minor Route Deviations.

8. Consumers Energy agrees to construct the Proposed Pipelines with a minimum four-foot depth of cover within all agricultural areas of the Approved Route.

9. Consumers Energy has undertaken an environmental assessment for the Proposed Pipelines, which indicates that construction of these pipelines has been planned and designed to minimize impacts to existing natural resources. Consumers Energy will adhere to the applicable environmental permits to control soil erosion, protect wetlands, clean-up and restore the site following construction, and control test water discharge. Wetlands will experience temporary impacts and conversion of wetland type and will be restored upon completion of construction, all impacts to waterbodies will be temporary, and construction workspace will be reduced where possible to minimize impacts. The Company will limit or avoid any impact to listed species and their habitats and will ensure any cultural resources identified during construction are protected. In the event that cultural resources are discovered during the course of the construction activities, Consumers energy will follow its Unanticipated Discoveries Plan. Consumer Energy's implementation of best management practices during construction and operation of the Proposed Pipelines will avoid and minimize impacts to sensitive resources. A copy of the environmental assessment is attached to the Company's Application as Exhibit D.

10. While there will be minor impairment to the environment if the pipelines are constructed as proposed, the Parties agree there is no other feasible and prudent alternative to this impairment. Given mitigation steps Consumers Energy will employ to minimize adverse environmental impacts, any environmental impairment caused by the Proposed Pipelines is *de minimis* and is 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. The Parties agree that the Commission should find that the filed Application and exhibits support and satisfy the required agency review and environmental obligations of the Commission that arise from the Michigan Environmental Protection Act, Part 17 of the Natural Resources and Environmental Protection Act, MCL 324.101 *et seq.* ("MEPA"), and the Michigan Supreme Court's application of MEPA in *State Hwy Comm v Vanderkloot*, 392 Mich 159 (1974). This does not bind the findings and determinations of the applicable local, state, and federal authorities referenced in paragraph 5 of this agreement.

11. Regarding engineering, surveying, and inspecting of the Proposed Pipelines, Consumers Energy agrees:

- a) To utilize ACVG/DCVG tools to assess for coating faults, and will remediate faults found to present areas of future corrosion prior to completing the pressure test of the Proposed Pipelines.
- b) No later than three months after the in-service date of the Proposed Pipelines, Consumers Energy will conduct an above-ground electrical survey of the Proposed Pipelines for the purpose of identifying defects in the pipeline coating that could cause future corrosion. All detected anomalies that become anodic when the cathodic protection system is off shall be remediated within one year after detection. Additional external corrosion test stations will be placed, as necessary, at any identifiable and significant dips in electric potential in accordance with 49 CFR 192.469 within six months following the survey.
- c) No later than one year after the in-service date of the Proposed Pipelines, Consumers Energy will conduct an in-line inspection of the Proposed

Pipelines. The remediation of dents shall occur in accordance with the latest 49 CFR Part 192 Subpart O and ASME B31.8S versions current as of the time of project completion.

- d) Consumers Energy will perform a GPS survey to record the location of all welds, bends, and bore profiles.

12. The Parties agree that within 60 days after completion of the Proposed Pipelines, Consumers Energy shall file to this docket a completion report including pressure test data and an “as built” map of the constructed pipelines.

13. The Parties agree that Consumers Energy has satisfied the requirements of Act 9 and the Commission Rules for the Production and Transmission of Natural Gas, Michigan Administrative Code R 460.851 *et seq.*

14. The Parties agree that the Commission should approve Consumers Energy’s request for authority to construct and operate the Proposed Pipelines and should determine that such lines, when constructed, tested, and operated as proposed, will serve the convenience and necessities of the public and will be reasonable and in the public interest.

15. The Parties request that the Commission issue an order: (i) approving this Settlement Agreement; (ii) authorizing Consumers Energy to construct and operate the Proposed Pipelines; (iii) approving the route of the Proposed Pipelines and the map showing the route which was filed as Exhibit A to the Application, allowing for minor route deviations, where necessary; (iv) approving the type of construction proposed by Consumers Energy for the Proposed Pipelines; and (v) finding that the Proposed Pipelines, when constructed and in operation, will serve the convenience and necessities of the public.

16. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this settlement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

17. This Settlement Agreement is based on the facts and circumstances of this case and is intended for final disposition of Case No. U-21842. So long as the Commission approves this Settlement Agreement without any modification, the Parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the Parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.

18. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the Parties.

19. The Parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

20. The Parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.

WHEREFORE, the undersigned parties respectfully request the Michigan Public Service Commission to approve this Settlement Agreement and to make it effective in accordance with its terms by final order.

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

By: Michael J. Orris Michael J. Orris
Michael J. Orris 2025.06.26
09:01:49 -04'00' Date: June 26, 2025
Michael J. Orris (P51232)
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CONSUMERS ENERGY COMPANY

By: Gary A. Gensch, Jr. Gary A. Gensch, Jr. (P66912)
Gary A. Gensch, Jr. Date: May 20, 2025
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Attorney for Consumers Energy Company

PROOF OF SERVICE

STATE OF MICHIGAN)

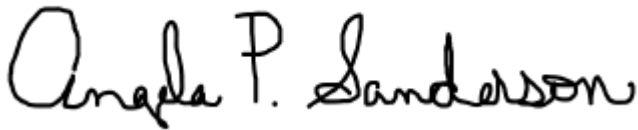
Case No. U-21842

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 10, 2025 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 10th day of July 2025.



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

Service List for Case: U-21842

Name	On Behalf Of	Email Address
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