

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
SEMCO ENERGY GAS COMPANY for a	)	
certificate of public convenience and necessity	)	Case No. U-12100
to provide natural gas service in Section 7,	)	
Mendon Township, St. Joseph County.	)	
_____	)	

At the October 28, 1999 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 August 27, 1999, SEMCO Energy Gas Company (SEMCO) filed an application, pursuant to the provisions of 1929 PA 69, as amended, MCL 460.501 et seq.; MSA 22.141 et seq., requesting a certificate of public convenience and necessity to extend its facilities and to provide natural gas service in Section 7 of Mendon Township, St. Joseph County.

Pursuant to due notice, a prehearing conference was held on October 7, 1999 before Administrative Law Judge James N. Rigas. SEMCO, the Commission Staff and the Consumers Energy Company 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) SEMCO currently holds a franchise to provide natural gas service in Section 7 of Mendon Township, St. Joseph County, (2) providing SEMCO with a certificate of public convenience and necessity to serve the area described in its application is reasonable and in the public interest, and (3) a certificate of public convenience and necessity should be granted to SEMCO to provide that service.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1929 PA 69, as amended, MCL 460.501 et seq.; MSA 22.141 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; MSA 22.21 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 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 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. SEMCO Energy Gas Company is granted a certificate of public convenience and necessity to construct, operate, and maintain natural gas distribution facilities and to provide natural gas service in Mendon Township, St. Joseph County, consistent with the provisions of the settlement agreement.

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 October 28, 1999.

/s/ Dorothy Wideman
Its Executive Secretary