



RICHARD P. MIDDLETON, ESQ.
Legal Department
(313) 235-3647

May 31, 2006

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909-7721

Re: In the matter of THUNDER BAY GATHERING COMPANY's Application
for authority to increase transportation rates on its THUNDER BAY pipeline
MPSC Case No. U-14672

Dear Ms. Kunkle:

Along with Thunder Bay Gathering Company's original application filed on December 2, 2005, we filed direct testimony of Edward Dereniewski. Since the time of that filing, Mr. Dereniewski has retired and is no longer employed by Michigan Consolidated Gas Company. James S. Chown will be adopting Mr. Dereniewski's direct testimony and exhibits in their entirety and will testify at the cross-examination to same. Attached for electronic filing is the Direct Testimony of James S. Chown which will replace the qualifications portion of Mr. Dereniewski's testimony. Also attached is a Proof of Service.

If you have any questions, please feel free to contact me.

Very truly yours,

**Richard P.
Middleton**

Digitally signed by Richard P. Middleton
DN: cn=Richard P. Middleton, c=US, o=Legal
- Regulatory, ou=Michigan Consolidated Gas
Company, email=middletonr@dteenergy.com
Reason: I am the author of this document
Date: 2006.05.31 16:43:24 -0400

Richard P. Middleton

RPM/kbt
Attachments
cc: Service List

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of THUNDER BAY)
GATHERING COMPANY's Application)
for authority to increase transportation)
rates on its THUNDER BAY pipeline)

Case No. U -14672

QUALIFICATIONS
AND
DIRECT TESTIMONY
OF
JAMES S. CHOWN

MICHIGAN CONSOLIDATED GAS COMPANY
QUALIFICATIONS OF JAMES S. CHOWN

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1 **Q. Please state your name and address for the record.**

2 A. My name is James S. Chown. My business address is 2000 Second Ave.,
3 Room 528-GO, Detroit, MI 48226.

4

5 **Q. Mr. Chown, where are you currently employed and in what capacity?**

6 A. I am employed by Michigan Consolidated Gas Company and I hold the position
7 of Senior Petroleum Engineer in the Storage and Pipeline Services Department.

8

9 **Q. Please summarize your education and business experience.**

10 A. I graduated from Michigan Technological University in 1979 with a Bachelor of
11 Science Degree in Geological Engineering. Upon graduating, I was employed
12 by Michigan Consolidated Gas Company as a Graduate Trainee in their
13 Production Engineering Department in Detroit, Michigan. My duties included
14 monitoring and projecting future production rates from oil and gas wells, making
15 production recommendations that minimized proration imbalances, predicting
16 future compression requirements, estimating oil and gas reserves, making
17 economic appraisals and programming the mainframe computer. In late 1980 I
18 was transferred to the Drilling Department, in Big Rapids Michigan, where I
19 helped design, specify and test equipment for rigs and wells, planned and
20 supervised wellwork, interpreted various well logs and monitored, mitigated and
21 remediated well corrosion. I was transferred back to Detroit in 1987 to the
22 Reservoir Engineering Department, which was a merger of four separate
23 departments – Production Engineering, Storage Engineering, Drilling and

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1 Geology. I have been in this department since that time. I continued to
2 monitor, mitigate and remediate well corrosion, plan and supervise wellwork
3 and interpret various logs. I resumed my old duties of monitoring, optimizing
4 and projecting oil and gas production, estimating oil and gas reserves and
5 projecting compression requirements. In addition, I helped develop the
6 Michigan Consolidated Gas Company gas quality standards and helped
7 enforce them. In the early 1990's I assumed my current position and
8 responsibilities, which include new storage field development, monitoring and
9 maintenance of deliverability and inventory in three to four underground gas
10 storage fields, reserve estimates, production projections, well testing, wellwork
11 planning and supervision, development and maintenance of several databases
12 (e.g., Antrim well activity, Michigan oil & gas production, gas composition,
13 storage well information) and monitor/mitigate/remediate well corrosion.

14

15 **Q. Have you acquired additional educational experience?**

16 A. I have taken several short courses, including: Field Handling of Natural Gas,
17 Basic Completions and Workovers, Workover Supervision, Workovers At the
18 Wellsite, Underground Storage of Natural Gas, Horizontal Drilling, Well Control
19 School, Well Flow Test Analysis, Visual Basic as well as shorter classes and
20 workshops on NODAL analysis, logging, cementing, acidizing, valves,
21 wellheads, well testing, Water Handling and Michigan Antrim Production. I am
22 a member of the Society of Petroleum Engineers and served as Chairman of

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1 the Michigan Section of SPE in 1986/87. I am a Registered Professional
2 Engineer in the State of Michigan.

3

4 **Q. Have you been involved in any proceedings before the Michigan Public**
5 **Service Commission?**

6 A. No.

7

8 **Q. Why are you adopting Mr. Dereniewski's prefled direct testimony?**

9 A. I am adopting Mr. Dereniewski's filed testimony and exhibits in this case
10 because shortly after filing testimony in this case Mr. Dereniewski retired from
11 MichCon.

12

13 **Q. What is the basis of your knowledge of Mr. Dereniewski's testimony**
14 **and exhibits?**

15 A. While employed at MichCon, Mr. Dereniewski and I, during the normal
16 course of business, routinely discussed matters such as production
17 estimates and reserves studies for both Antrim, PdC, and Niagaran
18 formations related to MichCon's various pipeline subsidiaries. Relevant to
19 this proceeding Mr. Dereniewski and I discussed in detail the methods,
20 calculations, assumptions, and results of the recoverable reserve study Mr.
21 Dereniewski performed for the Thunder Bay pipeline which forms the basis of
22 the testimony and exhibits Mr. Dereniewski filed in this case. I understand
23 and agree with the assumptions, methods, computations, and results

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1 contained in Mr. Dereniewski's study. I have complete knowledge of Mr.
2 Dereniewski's testimony and exhibits and the back-up material and
3 methodology he used to complete his study, and I am prepared to adopt both
4 the testimony and exhibits as my own.

5

6 **Q. Do you agree with Mr. Dereniewski's findings?**

7 A. Yes. It is a reasonable estimate given the information and resources
8 available at this time.

9

10 **Q. Have you done any similar studies?**

11 A. No. I have not made a recent estimate of the ultimate economically
12 recoverable reserves for the Thunder Bay area which requires a study of the
13 magnitude and detail performed by Mr. Dereniewski. However, I did prepare
14 a simple 5 year production projection for the Thunder Bay Pipeline during the
15 first half of 2005 for the limited purpose of providing information to MichCon's
16 gas accounting department. While in very broad terms the methods I used
17 were consistent with Mr. Dereniewski's; i.e., production projections were
18 based on exponential decline curves, Mr. Dereniewski's study is much more
19 comprehensive and therefore more accurate. Specifically, I did only one
20 projection for the entire pipeline while Mr. Dereniewski did projections for all
21 59 projects, added a 60th project consisting of fifty potential future
22 contributing wells, and added the 60 projects together to come up with a

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- 1 pipeline total. My less detailed independent production forecast for 2005
- 2 through 2009 is still within 5% of Mr. Dereniewski's forecast.

STATE OF MICHIGAN
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BAY GATHERING COMPANY's Application)
for authority to increase transportation) Case No. U -14672
rates on its THUNDER BAY pipeline)

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

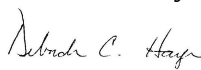
ESTELLA BRANSON, being duly sworn, deposes and says that on the 31st day of May, 2006 she served a copy of Thunder Bay Gathering Company's Direct Testimony of James S. Chown along with a Proof of Service upon the parties listed on the attached service list via electronic mail.

**Estella R.
Branson**

Digitally signed by Estella R. Branson
DN: cn=Estella R. Branson, c=US,
o=Regulatory Affairs, ou=Detroit Edison/
MichCon, email=bransone@deenergy.
com
Date: 2006.05.31 16:33:44 -04'00'

ESTELLA BRANSON

Subscribed and sworn to before
me this 31st day of May, 2006.


Deborah C. Hayes
Notary Public, State of MI, County of
Oakland, My Commission Expires
1/18/12, Acting in County of Wayne
2006.05.31 16:35:42 -04'00'

Notary Public

SERVICE LIST
MPSC CASE NO. U-14672
As of May 30, 2006

ADMINISTRATIVE LAW JUDGE

Hon. Daniel E. Nickerson, Jr.
Michigan Public Service Commission
6545 Mercantile Way,
Lansing, MI 48911
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**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**

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COMPANY**

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