

July 11, 2006

** APPLICATION FILED ELECTRONICALLY **

Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Attn: Ms. Mary Jo Kunkle
Executive Secretary

Re: In the Matter of the Application of DTE Gas & Oil
Company for Approval of Construction and the Operation
of the Central Lake South Pipeline in Central Lake and
Forest Home Townships, Antrim County, Michigan
Case No. U-14959

Dear Ms. Kunkle:

Enclosed is our check in the amount of \$100 as payment of the
filing fee for the referenced Application.

If you have any questions regarding this Application, please
do not hesitate to contact me.

Very truly yours,

Gary L Worman Digitally signed by Gary L Worman
DN: cn=Gary L Worman, c=US, o=Worman,
Dixon and Manis, email=gary@wdmple.com
Date: 2006.07.11 12:17:22 -04'00'

Gary L. Worman

GLW/rg
Enclosure

cc: A Saunders
DTE Gas & Oil

IN THE MATTER OF THE APPLICATION)
OF DTE GAS & OIL COMPANY FOR APPROVAL)
OF CONSTRUCTION AND THE OPERATION)
OF THE CENTRAL LAKE SOUTH PIPELINE)
IN CENTRAL LAKE AND FOREST HOME)
TOWNSHIPS, ANTRIM COUNTY, MICHIGAN)

CASE NO. U-14959

APPLICATION

DTE Gas & Oil Company ("DTE") files this Application pursuant to 1929 PA 9, as amended; MSA 22.1311, and the Michigan Public Service Commission ("MPSC" or the "Commission") Rules for the Production and Transmission of Natural Gas, Mich. Admin. Standards R 460.851, *et seq.*, and in support shows the following:

1. DTE is a corporation organized and existing under the laws of the State of Michigan with its principal office at 1501 Cass Street, Ste B, Traverse City, Michigan 49684, and is engaged in the production, transmission, and sale of natural gas.

2. This Application is filed to obtain Commission approval for the construction and operation of approximately six and eighty-five hundredths (6.85) miles of pipeline, consisting of 4½" outside diameter ("O.D.") steel pipe, identified as the Central Lake South Pipeline ("Central Lake South Pipeline") and related interconnection facilities, as reflected on the map attached as Exhibit A-1. The Central Lake South Pipeline will begin at the proposed Forest Home Central Production Facility, which will be owned and operated by DTE, located in the SE/4

of SE/4 of NW/4 of Section 10, T30N, R8W, Forest Home Township, Antrim County, Michigan, and then extends in a Northerly direction approximately six and eighty-five hundredths (6.85) miles to an interconnection point and tie-in with the DTE Central Lake 15 Central Production Facility located in the SW/4 of SW/4 of NW/4 of Section 15, T31N, R8W, Central Lake Township, Antrim County, Michigan.

3. The Central Lake South Pipeline will be constructed within private easements or within the County Road right-of-way. DTE has secured the appropriate agreements and/or the necessary easements to construct, own and operate the Central Lake South Pipeline.

4. No portion of the Pipeline will be constructed through any of the following:

- An area within the limits of a city or village;
- A designated residential or commercial area such as a subdivision, business or shopping center, or community development; or
- The property of a school, church, hospital, park or similar public place.

5. Attached to this application are the following Exhibits applicable to the Central Lake South Pipeline and related facilities for which approval is sought:

Exhibit A-1: A map showing the location of the Central Lake South Pipeline and its inter-connection with the Central lake 15 Central Production Facility;

Exhibit A-2: The General Engineering Specifications;
and

Exhibit A-3: An Environmental Assessment Report for the
Central Lake South Pipeline.

6. The Central Lake Pipeline will be constructed by DTE and will be financed by funds generated by internal sources. The cost of the Central Lake South Pipeline is estimated to be Seven Hundred One Thousand Eight Hundred Fifty-Two Dollars (\$701,852.00).

7. The Central Lake South Pipeline will transport Antrim gas only and will deliver that gas into the Central Lake Pipeline (see U-14552) allowing the gas to be delivered downstream for treatment and, ultimately, to the Kalkaska Gas Plant and marketing for public use.

8. There are no contracts for the purchase or sale of gas, the initial purpose of the Central Lake South Pipeline being to transport gas from DTE wells in its Central Lake and Forest Home Antrim Projects. DTE estimates that the initial volume of gas to be transported to market through the Central Lake South Pipeline will be 480 Mcf/day, increasing to 960 Mcf/day in approximately one year, with additional development in the area possibly increasing those volumes. DTE estimates the reserves available for production and transportation to be approximately eighteen and seven tenths billion cubic feet (18.7 Bcf). In the event DTE enters into an agreement with a third party to transport gas on the Central Lake South Pipeline, DTE will file with the Commission the initial contracts and shall comply with the requirements of 1929 PA 9.

9. DTE will operate the Central Lake South Pipeline in accordance with the Michigan Gas Safety Standard.

10. The Central Lake South Pipeline will provide the most direct, reasonable and economical route for natural gas produced from DTE's wells to be transported from the Central Lake South Central Production Facilities, so as to make the gas available for the benefit of the public.

WHEREFORE, Applicant respectfully requests that the Commission, pursuant to Act 9:

A. Approve the routing and operation of the Central Lake South Pipeline;

B. Find that the Central Lake South Pipeline serves the convenience and necessity of the public;

C. Approve this Application on an *ex parte* basis, without the time and expense associated with scheduling, noticing and convening a public hearing in view of the fact that DTE has agreements for all necessary rights-of-way; and

D. Grant such relief as it may find appropriate.

DTE GAS & OIL COMPANY
Applicant

Gary L Worman

Digitally signed by Gary L Worman
DN: cn=Gary L Worman, c=US, o=Worman,
Dixon and Manis, email=gary@wdmplt.com
Date: 2006.07.11 12:18:19 -0400

By: Gary L. Worman (P29297)
Attorney for Applicant

Dated: Jul __, 2005

Business address:
P.O. Box 219, 106 East Ash
Mason, MI 48854
(517) 244-9100

VERIFICATION

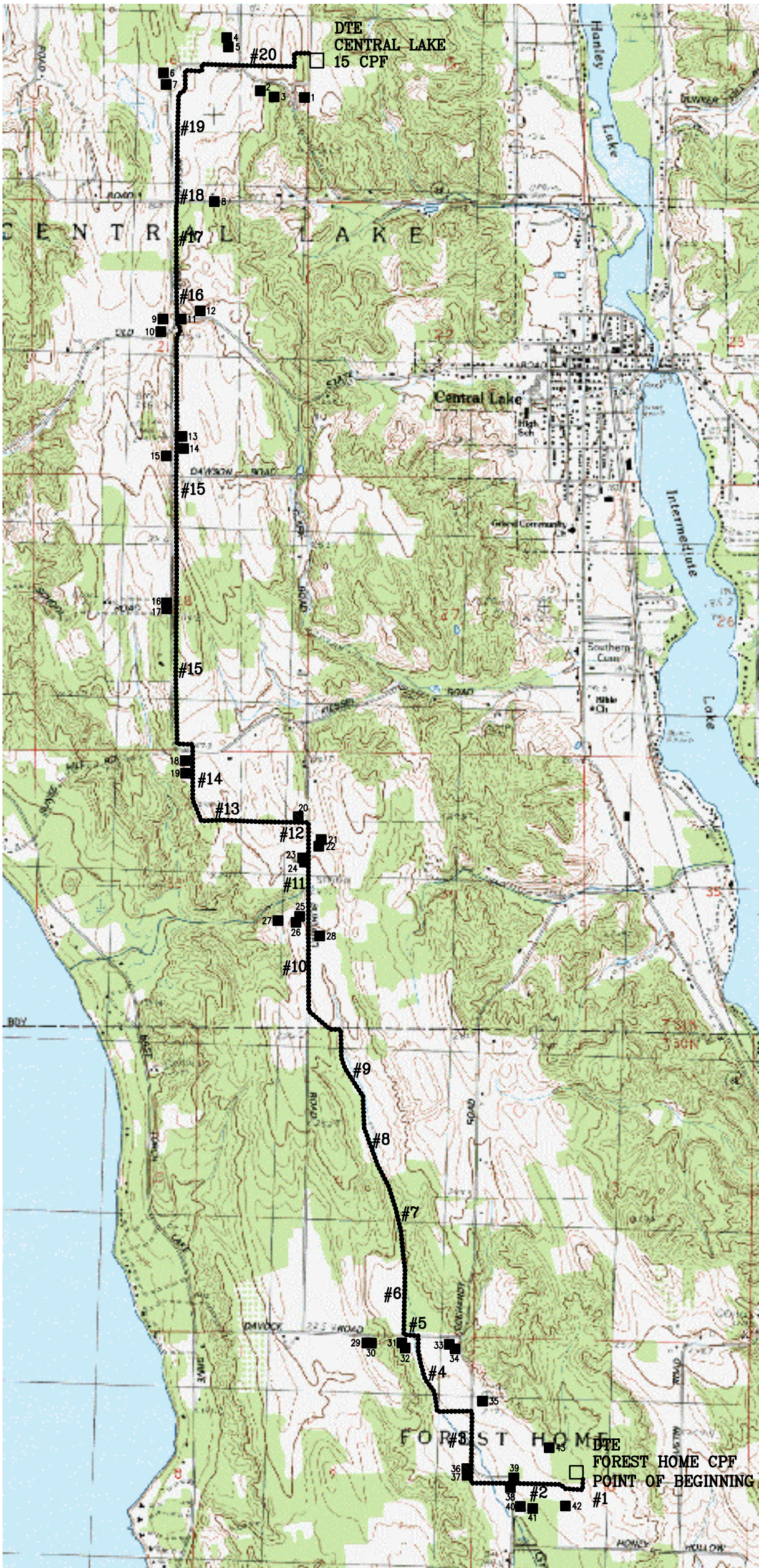
State of Michigan)
) ss
County of Ingham)

Before me this ____th day of July, 2006, appeared Gary L. Worman, who being first duly sworn, stated that he is the Attorney for DTE Gas & Oil Company, that he has executed the foregoing Application for and on behalf of DTE Gas & Oil Company; that he has read the foregoing Application and is familiar with the contents thereof; that the same are true to the best of his knowledge and belief; and that he is duly authorized to execute and file such Application on behalf of DTE Gas & Oil Company.

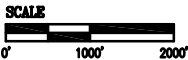
Ruth Ann Gingrich

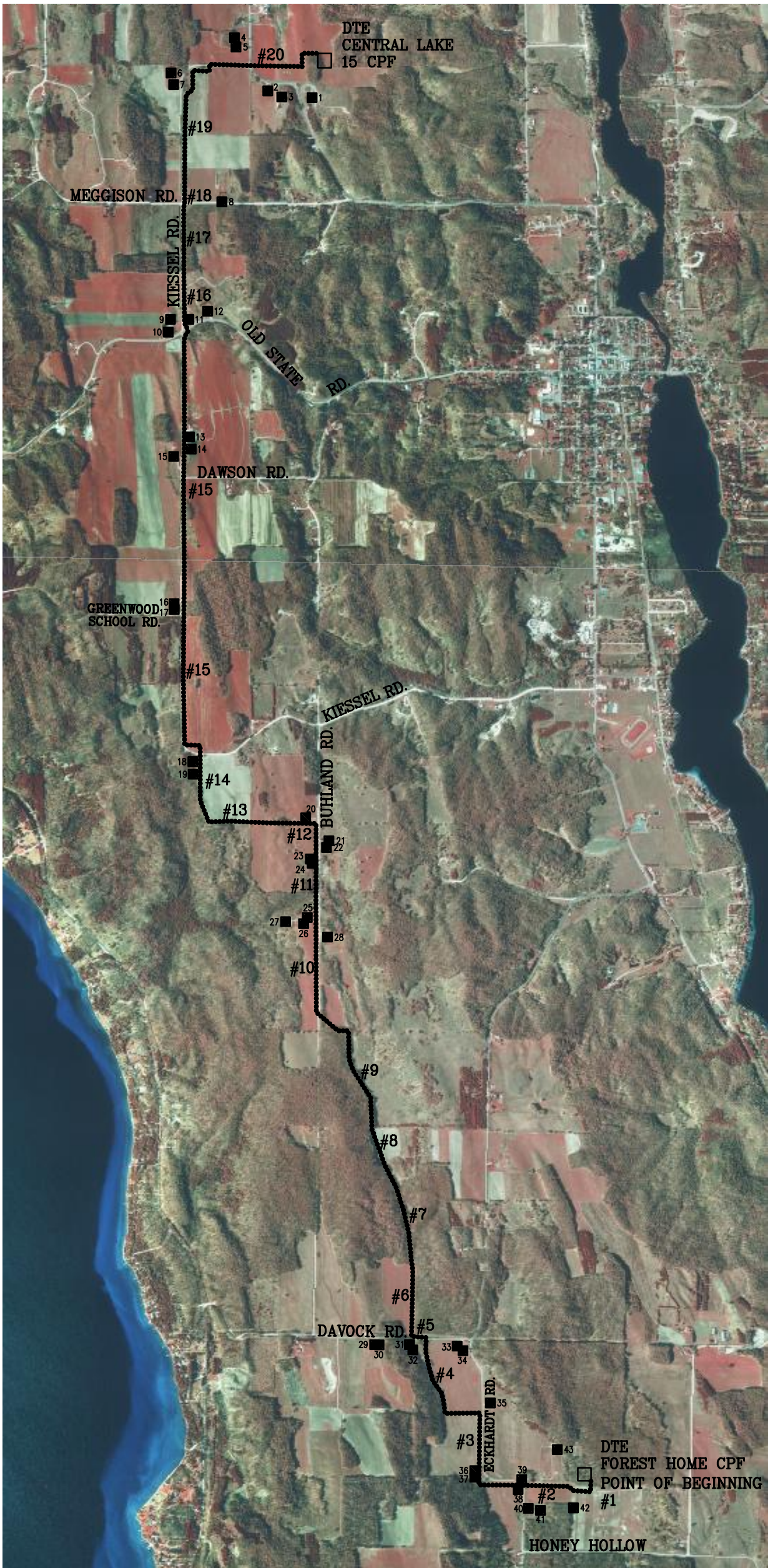
Digitally signed by Ruth Ann Gingrich
DN: cn=Ruth Ann Gingrich, c=US, o=Worman,
Dixon and Manis, email=ruth@wdmplt.com
Date: 2006.07.11 12:18:48 -04'00'

Ruth Ann Gingrich, Notary Public
State of Michigan, County of Clinton
Acting in the County of Ingham
My Commission Expires: 04/23/07



LEGEND
----- PROPOSED PIPELINE ROUTE
■ HOUSE / STRUCTURE LOCATIONS
#1 LAND FEATURES - SECTION NUMBER





LEGEND
----- PROPOSED PIPELINE ROUTE
■ HOUSE / STRUCTURE LOCATIONS
#1 LAND FEATURES - SECTION NUMBER

SCALE
0' 1000' 2000'

EXHIBIT "A-2"

ENGINEERING SPECIFICATIONS

4.5" Central Lake South Pipeline

DTE Gas & Oil Company

June 22, 2006

Class Location

The 4.5" Central Lake South Pipeline is located in a Class 3 area as defined by Title 49, Code of Federal Regulations (49 CFR) Part 192, Subpart A, as adopted by the Michigan Gas Safety Standards (MCL R 460.20101 through R 460.20606). The pipeline has been designed, constructed, and tested to meet Class 3 requirements.

Operating Data

The pipeline has a maximum allowable operating pressure of 1,440 psig and a maximum allowable operating temperature of 150°F. Normal operating conditions are approximately 1,100 psig and 60°F.

Pipe Design

All pipe used in the pipeline meets the requirements of 49 CFR Part 192, Subparts B and C. The sale line is a buried line pipe that is 4 ½" O.D.; 0.237" wall, ASTM A53 Grade B, ERW, having a maximum design pressure of 1,843 psig for a 0.50 design factor. The longitudinal joint factor for the pipe is 1.00 and the temperature-derating factor is 1.00. All pipe used in fabrications is designed in accordance with 49 CFR Part 192, Subpart C using a design factor of 0.50.

Valves and Fittings

All valves, fittings and flanges used in the pipeline have pressure ratings of 1,440 psig or higher and comply with 49 CFR Part 192, Subpart D.

Bends

Pipe bends were made in the field by the cold bend method in accordance with 49 CFR Part 192, Subpart G.

Welded Joints

All field joints in the pipe are welded. Welded joints conform to 49 CFR Part 192, Subpart E. Welders and welding procedures were qualified in accordance with API Standard 1104.

Overpressure Protection

The pipeline is protected against overpressure by compressor high-pressure shutdown devices at the production facilities feeding the line.

Central Lake South Pipeline

Corrosion Protection

Line pipe was factory coated with fusion bonded epoxy and welded connections field coated using heat shrink sleeves. Cathodic protection is provided by magnesium anodes. Test stations have been installed for monitoring the effectiveness of the cathodic protection system, and the line is electrically insulated from adjoining facilities.

Installation

The pipeline is installed with a minimum cover of 48 inches

Testing

After installation, the pipeline was hydrostatically tested to 2,234 psig for a minimum 8 hours. This test meets the requirements of 49 CFR Part 192, Subpart J.

Inspection

Construction of the pipeline was visually inspected as required by 49 CFR Part 192, Subpart G. Girth welds were nondestructively tested in accordance with 49 CFR Part 192, Subpart E.

General

The construction of this pipeline, including welding and corrosion control, was completed in conformance with the provisions of the Michigan Gas Safety Standards Part 192, Subparts E, G, and I.

**PROPOSED CENTRAL LAKE SOUTH PIPELINE
ENVIRONMENTAL IMPACT ASSESSMENT
June 30, 2006**

Project Location: Sections 16, 21, 28, 33, and 34 of T31N, R8W, Central Lake Township, and Sections 4, 5, 9, and 10 of T30N, R8W, Forest Home Township, Antrim County, Michigan

Name of Applicant: DTE Gas & Oil Company
1501 Cass Road, Suite B
Traverse City, MI 49684

I. INTRODUCTION

This report examines the environmental impacts from installing one 4.5-inch steel pipeline, approximately 36,200 feet in length, in Central Lake and Forest Home Townships, Antrim County, Michigan. The project, known as the Central Lake South Pipeline, will be constructed by DTE Gas & Oil Company (DGO) to transport natural gas.

Natural gas from the proposed DGO Forest Home central production facility (CPF) in the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$, Section 10, Forest Home Township will be transported to the DGO Central Lake 15 CPF in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$, Section 15. The proposed pipeline route is illustrated in the attached topographic map.

II. EXISTING ENVIRONMENT

On April 14 and April 26, 2006, GCES personnel traveled the proposed pipeline route and documented the land use and physiographic features through which it will pass. The attached table illustrates the data, beginning at the proposed Forest Home CPF and ending at the Central Lake 15 CPF tap site. Structures within 600 feet of the route were observed and recorded.

Approximately 49% of the proposed pipeline route is on private lands, and approximately 51% is along public road rights-of-way. Land use observed include fields used for possible hay production, residential, hardwood forest, one stream, and cropland. Sensitive habitats include a small unnamed stream that crosses Buhland Road in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 33, T31N, R8W (Central Lake Twp.)

Boring and jacking beneath the stream will prevent adverse impact to this area. In the opinion of GCES, the project will not affect any rare, threatened, or endangered plants or wildlife.

Most of the grades along the proposed route are gentle. For those grades exceeding 10%, silt fences will be used to prevent soil erosion. The soil types along the route are predominantly of the Emmet-Montcalm Complex, with sandy loam and loamy sand. A map has been compiled showing structures identified within 600 feet of the pipeline. Of the 42 structures observed, 25 were houses and 17 were other structures, including agricultural barns, garages, outbuildings, and one refuse transfer facility. The highest density of housing is at the south end of the route, along Davock and Eckhardt Roads, with 8 houses over a distance of 5,960 feet.

III. CONSTRUCTION METHODS

The pipeline route is located across lands owned or controlled by private landowners, the Antrim County Road Commission, and the Michigan Department of Transportation. Right-of-way areas and wooded areas will be cleared of woody vegetation wherever necessary to allow the free movement of heavy equipment. The pipeline trench will be excavated via hydraulic excavator. The trench (with flow lines) is expected to vary between 24 and 72 inches wide by approximately 5 feet deep, in most cases providing a minimum of 48 inches of soil cover over the 4.5-inch steel pipe.

Excavated materials will be stored temporarily within the right-of-way areas prior to backfilling. Piping will be installed via boring and jacking beneath the unnamed stream as well as road crossings.

The individual pipeline segments will be welded together prior to being lowered into a trench or inserted during the boring and jacking or directional drill processes. The welds are inspected visually and radiographically, then coated to protect against corrosion. After a portion of pipeline is lowered into a section of trench, the area above will be backfilled to original grade and compacted, with a small ridge left over the center of the former trench to offset the effects of settling. All exposed areas within the pipeline easement will be reseeded with a standard mix of perennial grasses and legumes and a temporary cover crop as soon as seasonal conditions allow.

Immediately after backfilling, the pipeline will be hydrostatically tested for leaks in accordance with industry standards and the Michigan Gas Safety Code. Water used for testing will be disposed of in an environmentally safe manner. Upon completion, the entire route will be identified above ground by labeled markers.

IV. SUMMARY

The proposed project is intended to enhance the production of hydrocarbon resources in the State of Michigan, as a matter of public convenience and necessity. The route selected will avoid negative impacts to forest communities, wetlands, streams, and steep grades. Existing rights-of-way and fields have been used wherever practical. Piping installed in sensitive habitat areas will be installed via boring and jacking.

In terms of the future, there is always the possibility of an accidental release of natural gas. Underground pipelines have proved to be the safest method for transporting

petroleum products, and the potential for such a release is low. Clear markers along the pipeline route will decrease the danger of pipe breakage from excavating equipment. Because the gas will be clean and in a vapor phase, it is unlikely that any release would significantly harm surrounding plants, wildlife, or soils. The possibility of ignition and fire is a danger, especially for people living in the project vicinity, but population density is relatively low in the proposed area.

The pipeline will be constructed according to the Public Service Commission's Guidelines and the Office of Pipeline Safety Regulations, and it will be inspected for leakage on an annual basis, as outlined in the Michigan Gas Safety Code. Cathodic protection will help to ensure the pipelines structural integrity over an extended period of time.

Prepared by:

GOSLING CZUBAK ENGINEERING SCIENCES, INC.

Peter R. Kallioinen, C.H.M.M.
Project Scientist

Kevin D. Ringwelski, P.G.
Manager, Environmental Services

Attachments: 1) Table of Land Features
2) Topographic Map Showing Pipeline Route
3) Aerial Photo of Pipeline Route

CC: Alan Saunders
DTE Gas & Oil Company
1501 Cass Road, Suite B
Traverse City, MI 49684

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**PROPOSED CENTRAL LAKE SOUTH PIPELINE
ENVIRONMENTAL IMPACT ASSESSMENT**

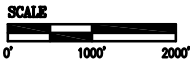
**GCES 2006400.24
June 30, 2006**

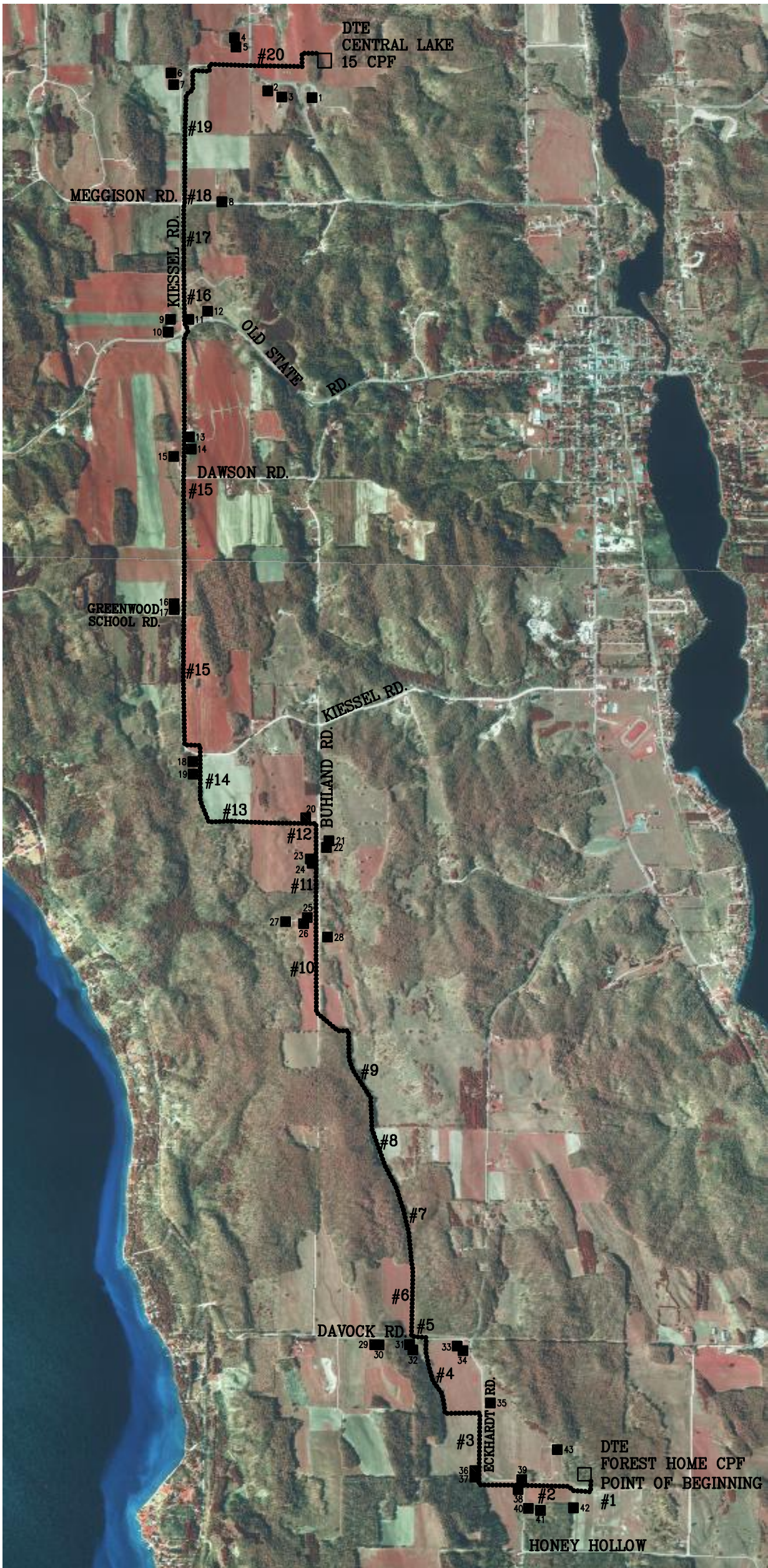
LAND FEATURES

Sec	Length (feet)	Bearing	Land Use	# Homes	# Non-Home Structures	Topography
#1	240	South	Forest	0	0	Hardwoods, slopes <10%, begins at CPF, crosses private road
#2	2,110	West	Field	3	2	Open fields, possible hay production, lawn, slopes <10%, crosses Eckhardt Road, one driveway
#3	1,400	North	Agricultural	1	1	Open agricultural, lawn at S end, slopes <10%
#4	2,150	West to N10°W	Field	2	1	Open field, possible hay production, slopes <10%, crosses Davock Road
#5	300	West	Forest	2	2	Hardwoods, shrubs, wetland crossing, existing overhead utility ROW, slopes <10%
#6	1,350	North	Field	0	0	Open field, possible hay production, slopes <10%
#7	1,980	N20°W	Forest	0	0	Mature hardwoods, slopes <10%
#8	620	N20°W	Agricultural	0	0	Open agricultural, slopes <10%
#9	2,340	N20°W to West	Field	0	0	Field with shrubs, few trees, slopes <10% to nearly 10% at N end, crosses Buhland Road
#10	2,210	North	Field	2	2	Open field, possible hay production, slopes <10%, crosses one driveway
#11	1,170	North	Forest	1	1	Hardwoods, stream crossing, slopes <10% to >10% near stream, crosses one driveway
#12	1,850	North to West	Field	2	1	Open field, few trees, possible hay production, slopes <10%
#13	820	West	Agricultural	0	0	Open agricultural, slopes <10%
#14	1,630	West to North	Agricultural	1	1	Open agricultural, slopes <10%
#15	7,950	North	Field	3	2	Open field, possible hay production, few trees, slopes <10%, crosses Kiessel Rd., Dawson Rd., two driveways
#16	1,100	North	Field	3	1	Open fields, lawn, slopes <10%, crosses Old State Rd., one driveway
#17	1,310	North	Forest	0	0	Hardwoods, slopes <10%
#18	650	North	Field	1	0	Open field, possible hay production, slopes <10%, crosses Meggison Rd.
#19	2,220	North to East	Agricultural	1	1	Open agricultural, few trees, slopes <10%
#20	2,800	East	Field	3	2	Open fields, possible hay production, slopes >10% near east end, crosses Kiessel Rd. and Highway M-88



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0' 1000' 2000'