

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

QUICKSILVER RESOURCES, INC., and
TERRA ENERGY, LTD.,

Complainants,

Case No. U-14821

v

Hon. Mark D. Eyster

MICHCON GATHERING COMPANY and
MICHIGAN CONSOLIDATED GAS COMPANY

Respondents.

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COMPLAINANTS' FIRST REQUESTS FOR ADMISSION TO RESPONDENTS

PROPOUNDING PARTY: COMPLAINANTS

**RESPONDING PARTY: RESPONDENTS MICHIGAN CONSOLIDATED GAS
COMPANY and MICHCON GATHERING COMPANY**

SET NUMBER: ONE

TO RESPONDENTS AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that the following requests for admission are
submitted to Respondents under the provisions of Mich Admin Code R 460.17317.

Pursuant to this rule, Respondents shall serve a copy of their answers and objections, if any, within fourteen (14) days after the service of these requests for admission.

Each of the matters to which an admission is requested shall be deemed admitted unless the party to whom the request is directed delivers or causes to be delivered to the party requesting the admissions, or its attorney of record, a statement within a period of fourteen (14) days after the delivery of this Request, either denying specifically the matters to which an admission is requested or setting forth in detail the reasons why it cannot truthfully either admit or deny those matters.

If these matters are not admitted, but the same are proved during the contested hearing, Complainants will request reimbursement from Respondents of any expenses necessary to prove the same.

DEFINITIONS

- A. When used in these requests for admission, the term "MICHCON" or any synonym thereof shall mean Respondents MICHIGAN CONSOLIDATED GAS COMPANY and MICHCON GATHERING COMPANY.
- B. "COMPLAINANTS" as used in these requests for admission shall mean those entities identified in paragraphs 1 and 2 of the Complaint.
- C. "WRITTEN COMMUNICATION" as used in these requests for admission shall mean all e-mails, correspondence, letters, memoranda, telephone message receipts, facsimile transmissions, file notes, instructions, outlines, reports, purchase orders, contracts, invoices, and all other types of written or printed material.
- D. "DOCUMENT" as used in these requests for admission shall mean all writings, drawings, graphs, charts, photographs, phone records, and other

data compilations from which information can be obtained or translated, as referenced in MCR 2.310(A)(2), as well as electronically stored or computerized information, including but not limited to information stored on/in hard drives, hard or floppy diskettes, or CD-ROM.

- E. ASATT means Antrim Gas Transportation and Treating Agreement.
- F. ASAT means Antrim Gas Transportation Agreement.

These requests shall be deemed continuing, and supplemental answers shall be required immediately if Respondents directly or indirectly obtain further or different information from the time the answers are served to the time of final hearing.

REQUESTS FOR ADMISSION

REQUEST TO ADMIT NO. 1:

Admit that MICHCON entered into an ASATT with Quicksilver Resources, Inc. dated March 1, 2006.

RESPONSE TO REQUEST TO ADMIT NO. 1:

REQUEST TO ADMIT NO. 2:

Admit that MICHCON drafted, or caused to be drafted, the ASATT it entered into with Quicksilver Resources, Inc. dated March 1, 2006.

RESPONSE TO REQUEST TO ADMIT NO. 2:

REQUEST TO ADMIT NO. 3:

Admit that MICHCON entered into an ASATT with Quicksilver Resources, Inc. dated April 1, 2000.

RESPONSE TO REQUEST TO ADMIT NO. 3:

REQUEST TO ADMIT NO. 4:

Admit that MICHCON drafted, or caused to be drafted, the ASATT it entered into with Quicksilver Resources, Inc. dated April 1, 2000.

RESPONSE TO REQUEST TO ADMIT NO. 4:

REQUEST TO ADMIT NO. 5:

Admit that MICHCON entered into an ASATT with Terra Energy, Ltd. dated September 12, 1994

RESPONSE TO REQUEST TO ADMIT NO. 5:

REQUEST TO ADMIT NO. 6:

Admit that MICHCON drafted, or caused to be drafted, the ASATT it entered into with Terra Energy, Ltd. dated September 12, 1994.

RESPONSE TO REQUEST TO ADMIT NO. 6:

REQUEST TO ADMIT NO. 7:

Admit that MICHCON entered into an ASAT with Terra Energy, Ltd. dated December 18, 1997.

RESPONSE TO REQUEST TO ADMIT NO. 7:

REQUEST TO ADMIT NO. 8:

Admit that MICHCON drafted, or caused to be drafted, the ASAT it entered into with Terra Energy, Ltd. Dated December 18, 1997.

RESPONSE TO REQUEST TO ADMIT NO. 8:

REQUEST TO ADMIT NO. 9:

Admit that MICHCON entered into an ASAT with Mercury Exploration Company dated January 1, 1998.

RESPONSE TO REQUEST TO ADMIT NO. 9:

REQUEST TO ADMIT NO. 10:

Admit that MICHCON drafted, or caused to be drafted, the ASAT it entered into with Mercury Exploration Company dated January 1, 1998.

RESPONSE TO REQUEST TO ADMIT NO. 10:

REQUEST TO ADMIT NO. 11:

Admit that MichCon had the flexibility to blend non-Antrim gas (i.e. Niagaran wet gas) with Antrim Gas.

RESPONSE TO REQUEST TO ADMIT NO. 11:

REQUEST TO ADMIT NO. 12:

Admit that MichCon has claimed that it could avoid some new laterals if it put some Antrim gas into the wet header.

RESPONSE TO REQUEST TO ADMIT NO. 12:

REQUEST TO ADMIT NO. 13:

Admit that treated gas normally is blended with untreated gas to achieve a 2% CO² combined stream.

RESPONSE TO REQUEST TO ADMIT NO. 13:

REQUEST TO ADMIT NO. 14:

Admit that MichCon has entered into ASATTs with other Antrim producers to take gas up to 35% CO² at receipt points that are downstream of the CMS plants.

RESPONSE TO REQUEST TO ADMIT NO. 14:

REQUEST TO ADMIT NO. 15:

Admit that MichCon's pricing is based on a treatment specification of 2% CO².

RESPONSE TO REQUEST TO ADMIT NO. 15:

REQUEST TO ADMIT NO. 16:

Admit that in order to increase profits, MichCon contracted with CMS to remove additional CO².

RESPONSE TO REQUEST TO ADMIT NO. 16:

REQUEST TO ADMIT NO. 17:

Admit that CMS charges MichCon on the basis of volumes of gas delivered to the CMS plants.

RESPONSE TO REQUEST TO ADMIT NO. 17:

REQUEST TO ADMIT NO. 18:

Admit that MichCon has paid for the CO² removal service out of funds MichCon has received from producers for treating.

RESPONSE TO REQUEST TO ADMIT NO. 18:

REQUEST TO ADMIT NO. 19:

Admit that MichCon wants Quicksilver to assume the additional burden of processing their gas to a 0.75% CO² content so that MichCon can continue to blend other gas at or above 2% CO² content.

RESPONSE TO REQUEST TO ADMIT NO. 19:

REQUEST TO ADMIT NO. 20:

Admit that MichCon has signed ASAT's with other producers with CO² specifications other than .75%.

RESPONSE TO REQUEST TO ADMIT NO. 20:

REQUEST TO ADMIT NO. 21:

Admit that MichCon has signed ASATT's with other producers with CO² specifications other than .75%.

RESPONSE TO REQUEST TO ADMIT NO. 21:

REQUEST TO ADMIT NO. 22:

Admit that MichCon has transportation agreements (ASATT) with parties downstream of the treating plants that are based on treating to a final product of 2%.

RESPONSE TO REQUEST TO ADMIT NO. 22:

REQUEST TO ADMIT NO. 23:

Admit that MichCon has ASATT(s) that have a different CO² specification than in Terra's ASATT(s).

RESPONSE TO REQUEST TO ADMIT NO. 23:

REQUEST TO ADMIT NO. 24:

Admit that MichCon has ASATTs that have a different CO² specification than in Quicksilver's ASATT(s).

RESPONSE TO REQUEST TO ADMIT NO. 24:

REQUEST TO ADMIT NO. 25:

Admit that MichCon has ASATs) that have a different CO² specification than in Terra's ASAT(s).

RESPONSE TO REQUEST TO ADMIT NO. 25:

REQUEST TO ADMIT NO. 26:

Admit that MichCon has contracts that have a different CO² specification than in Quicksilver's contracts.

RESPONSE TO REQUEST TO ADMIT NO. 26:

Dated: May 23, 2006

By:

DINGEMAN, DANCER &
CHRISTOPHERSON, P.L.C.

 James A. Christopherson

Signature Not Verified

Digitally signed by James A.
Christopherson
DN: cn=James A.
Christopherson, o=Dingeman,
Dancer and Christopherson,
PLC, c=US
Date: 2006.05.23 09:48:18 -04'00'

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