

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the Matter of the Application of  
De Saegher Energy LLC for a Certificate of  
Public Convenience and Necessity to Construct  
and Operate a Natural Gas Pipeline, the DSG  
RNG Pipeline, in Gratiot County, Michigan

Case No. U-21289

**APPLICATION**

De Saegher Energy LLC ("DSG RNG" or "Applicant") applies for authority pursuant to 1929 PA 9, MCL 483.101 *et seq.*, as amended ("Act 9"), to construct, own and operate a natural gas pipeline, the "DSG RNG Pipeline", beginning at the corner of the digester facility in Section 14 of New Haven Township, T10N, R4W, Gratiot County and continuing east 400' on the north side of Buchanan Rd road right of way, on property owned by De Saegher Energy, thence north 2300' across farm field, thence east 2300' thence north to an interconnect with DTE's ABC 24" pipelines in Section 14 of New Haven Township, T10N, R4W Gratiot County, State of Michigan as described in the confidential Letter of Intent dated March 23, 2022 between De Saegher Energy Company and DTW Gas Company, One Energy Plaza, Detroit, MI 48226 and respectfully states as follows:

**1. Applicant.**

Applicant is a limited liability company duly authorized under the laws of the State of Michigan, with its principal office at 7816 W. Buchanan Rd., Middleton, Michigan 48856

**2. Pipeline Description.**

Applicant proposes to construct two new 4" steel pipelines approximately 6300 feet in length to transport renewable natural gas to market and to provide natural gas to the DeSaegher Dairy operations.

The route of the DSG RNG Pipeline is attached and incorporated herein as Exhibit A.

**3. Purpose of Pipeline**

The DSG RNG Pipeline is intended to transport gas recovered from the digester at De Saegher Dairy Farm. The digester will initially produce 750 mcf/d and up to 3,000 mcf/d when fully operational.

Ultimately, the gas transported by the DSG RNG Pipeline will be available to residents and businesses that transport gas on the interstate pipeline system. Without this pipeline, approximately 1.0 Bcf of gas annually will not be recovered, which is a waste of a natural resource and would increase the amount of greenhouse gas emissions.

**4. Right-of-Way And/Or Easement Description.**

The DSG RNG Pipeline will be constructed entirely on private property, the majority owned by De Saegher Energy LLC, and on property that DTE holds an easement on that gives them authority to construct additional facilities as needed to conduct their business activities. DSG RNG has acquired permits for use of the public roads and road easements and permits for crossing county drains. There will be no construction within the road right of ways.

Applicant will acquire other construction permits as necessary from local government entities pending Act 9 approval.

**5. Specifications/Engineering/Safety.**

The engineering specifications for the new DSG RNG Pipeline are attached and incorporated herein as Exhibit B. The entire DSG RNG Pipeline will be constructed, tested and operated in a manner that meets or exceeds the requirements of the Michigan Gas Safety Standards 25th edition.

**6. Construction Cost Estimate.**

Exhibit C, attached and incorporated herein, contains an initial cost estimate for constructing the pipeline and associated metering facilities. The total DSG RNG Pipeline project cost is currently estimated to be approximately \$2,393,400.00 (two million, three hundred ninety

three thousand, four hundred dollars). This cost estimate assumes summer construction; winter construction would add approximately twenty-five percent more to the total cost.

**7. Operating Expenses and Revenues.**

Applicant anticipates that the pipeline will serve only its own digester, thereby negating the need for an initial rate. If other RNG producers in the vicinity of this pipeline desire to transport their gas on the DSG RNG Pipeline, then Applicant will provide transportation services in compliance with the 1929 PA 9 and file the executed transportation agreements with the Commission.

**8. Public Convenience and Necessity**

The purpose of the DSG RNG Pipeline is to transport recovered renewable natural gas in the most efficient and cost-effective means to the market. The public convenience and necessity will be served by the recovery of this valuable natural resource and the reduction in greenhouse gas emissions from the farm.

**9. Environmental Impact Report.**

Exhibit D attached and incorporated herein addresses the environmental aspects of the DSG RNG Pipeline. The report concludes that the overall impact for the proposed pipeline will be minimal.

**10. Schedule.**

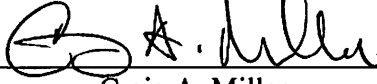
Applicant proposes to install and operate the DSG RNG Pipeline as an Act 9 pipeline in the third quarter of 2022 if the Commission grants authorization for this project.

WHEREFORE, Applicant respectfully requests the Commission to:

- A. Issue its Order finding the proposed DSG RNG Pipeline will serve the public convenience and necessity.
- B. Issue an ex-parte order granting De Saegher Energy a Certificate of Public Convenience and Necessity in appropriate form authorizing the Applicant to construct, install, own and operate the proposed DSG RNG Pipeline as an Act 9 pipeline.
- C. Approve the route as depicted in the map attached as Exhibit A subject to such changes in location as may be reasonable and necessary upon actual construction.
- D. Approve the general engineering specifications, design, construction and operation reflected in Exhibit B.

- E. Approve the terms and conditions in this Application.
- F. Determine the proposed DSG RNG Pipeline will not have an adverse affect on the environment as shown in Exhibit D.
- G. Find the pipeline, when constructed, tested and operated as proposed herein, will meet the Michigan Gas Safety Standards 25<sup>th</sup> Edition.
- H. Find that the public interest will be adequately protected without the time and expense involved in a public hearing and expeditiously grant *ex parte* approval of this Application.
- I. Grant such other relief as is just and appropriate.

Respectfully submitted,  
Craig A. Miller & Associates LLC

Dated July <sup>25</sup> ~~22~~, 2022 \_\_\_\_\_ By:  \_\_\_\_\_  
Craig A. Miller  
Its: Managing Member

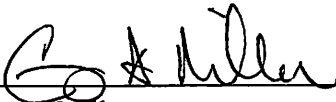
In the matter of the Application of  
De Saegher Energy LLC, for authority to  
construct and operate the DSG RNG Pipeline  
in New Haven Township, Gratiot County.

**VERIFICATION**


STATE OF MICHIGAN

COUNTY OF Kalkaska)

Craig A. Miller being sworn, says that he is a Consultant of the Applicant, DeSaegher Energy LLC, that he executed the foregoing Application with full authority to do so; and that the statements therein are true to his best information, knowledge, and belief.

  
\_\_\_\_\_  
Craig A. Miller  
Managing Member  
\_\_\_\_\_

Subscribed and sworn to before me, a Notary Public in and for said county of  
Kalkaska, on the 25th day of ~~June~~, 2022  
July

My commission expires: June 8, 2027 Signature: \_\_\_\_\_

Notary public, State of Michigan County of Kalkaska



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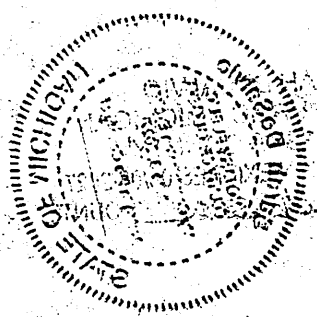
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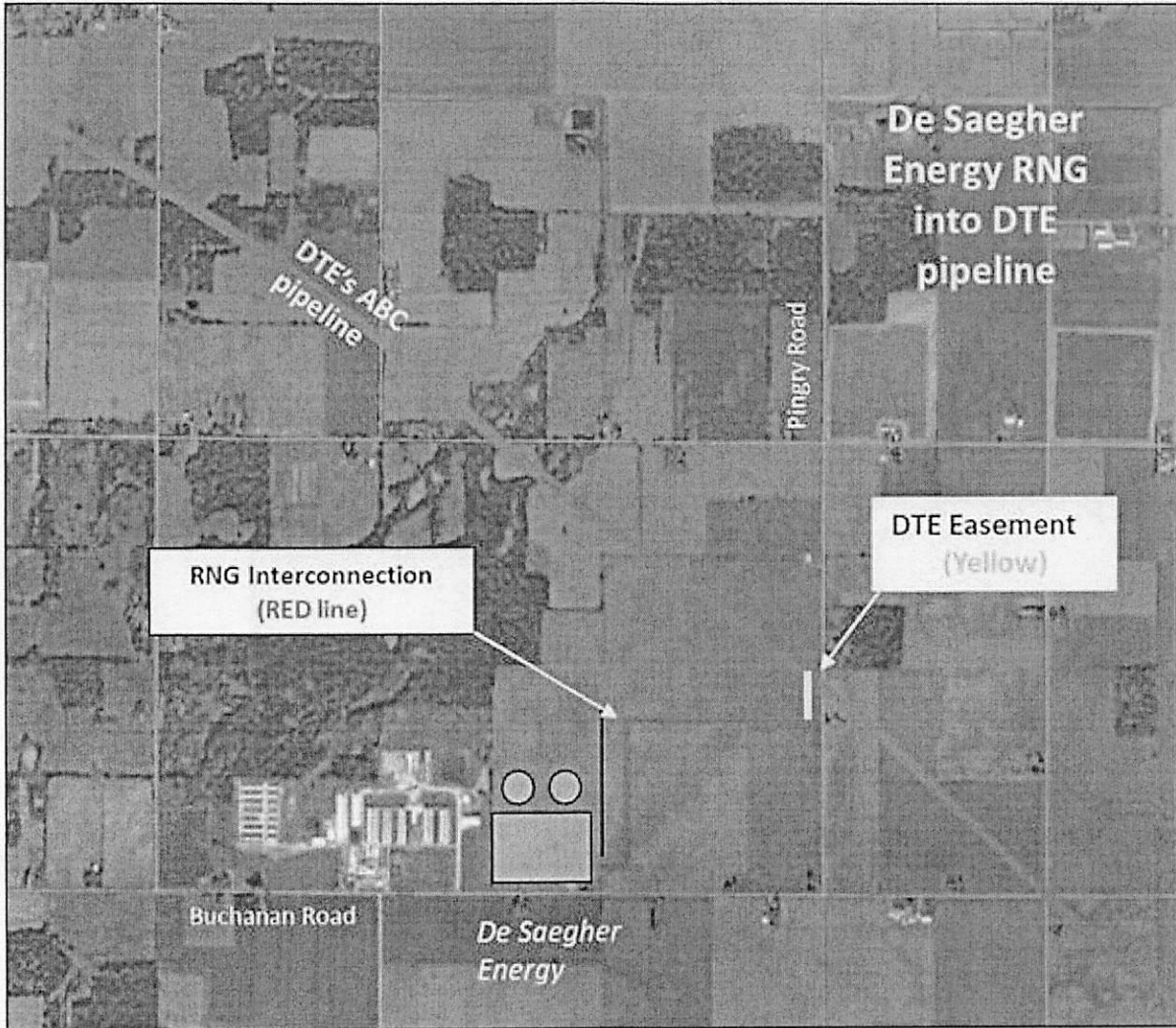
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EXHIBIT A

Pipeline Route



Section 14 of New Haven Township, T10N, R4W Gratiot County, State of Michigan

## **EXHIBIT B**

### **PIPELINE SPECIFICATIONS**

#### **PROPOSED DSG RNG PIPELINE**

##### **I. OVERVIEW OF PROJECT**

The proposed pipeline will transport dehydrated renewable natural gas from the De Saegher digester facility in SE/4 SW/4 of Section 14 in New Haven Township T10N R4W, Gratiot County to the existing DTE ABC pipeline system located in the SE/4 NE/4 of Section 14 in New Haven Township T10N R4W, Gratiot County.

The pipeline lies within a farm field along Buchanan Rd. The pipeline does not traverse through any incorporated or unincorporated village or town, designated public place or designated subdivision, community development or shopping center or similar public place. The proposed pipeline is located in a Class I area as defined by Title 49, Code of the Federal Regulations (49 CFR) Part 192, Subpart A as adopted by the Michigan Gas Safety Standards.

The Applicant attests that the new line will be constructed to standards that meet or exceed the Michigan Gas Safety Standards 25th Edition.

##### **II. ROUTE**

Applicant proposes to construct approximately 12,600 feet of 4" O.D. steel natural gas pipelines from the De Saegher digester facility in Section 14 of New Haven Township, T10N, R4W, Gratiot County, from the southeast corner of the facility and continuing east 400' under the county drain along Buchanan Rd, thence north 2300', thence east 2300' thence north 300' across a private easements to an interconnect with DTE's ABC 24" pipelines in Section 14 of New Haven Township, T10N, R4W Gratiot County, State of Michigan.

### III. MATERIALS

The following materials will be used in the construction of the new pipeline:

|                         |                                    |
|-------------------------|------------------------------------|
| Pipe Specification      | ASTM A53, API 5L PSL2 or ASTM A106 |
| Pipe Outside Diameter   | 4.5"                               |
| Avg. Wall Thickness     | .237                               |
| Specified Minimum Yield | 52,000                             |
| Joint Type              | ERW or seamless                    |
| Joint Length            | Double Random                      |
| Pipe Coating            | Fusion Bonded Epoxy                |
| Joint Coating           | Heat Shrink Sleeve or Tape         |
| Flange Fittings         | ANSI 600                           |
| Threaded Fittings       | 3000# Minimum                      |

The above pipe specification meets the requirements of the Michigan Gas Safety Standards, 25<sup>th</sup> Edition. The pipe utilized in the new construction will be new pipe.

### IV. OPERATING DATA

The data below represent expected operating conditions.

|   |                   |
|---|-------------------|
| A. Maximum Allowable Operating Pressure | 1040 psig         |
| B. Normal Operating Pressure            | 800 to 900 psig   |
| C. Shut In Pressure                     | 970 psig          |
| D. Meter Type                           | Orifice           |
| E. Minimum Ground Cover                 | 60" minimum       |
| F. Ground Cover at Ditches              | 60" minimum       |
| G. Line Crossing Clearance              | 12" minimum       |
| H. Road Crossings                       | No road crossings |
| I. Maximum Design Temperature           | 125° F            |
| J. Minimum Design Temperature           | -20° F            |
| K. Expected Operating Temperature       | 30° F to 100° F   |

### V. PIPE DESIGN

The design factor for the entire line will be selected as .50 suitable for Class 3 locations which will allow for future development along the route without reducing MAOP. The operating temperature design factor is 1. The longitudinal joint factor for the pipe is 1.0. For the new pipe proposed, the maximum allowable operating pressure is 1040 psig. ANSI 600 fittings limit pressure to 1480 psig at 150 F. Overpressure protection will be provided by the compressor high pressure shut off device, a safety shutdown valve, and the dehydrator relief valve at the digester facility. The pipeline will be constructed to meet the requirements of 49 CFR 192.150 which will allow the passage of an ILI tool. Full port valves and long radius ells will be used.

## **VI. FLOW METERING**

An orifice meter in accordance with AGA Report No. 3 latest edition will meter the flow into the pipeline. Electronic transmitters and recorders will document the flow.

## **VII. PIPELINE MAXIMUM DESIGN AND EXPECTED OPERATING PRESSURE**

Assuming a minimum test pressure of 1560 psig, the maximum allowable operating pressure for the pipeline will be 1040 psig based on a 1.50 test factor. This is based on Rule 192.619 for a Class 3 location i.e. a test factor of 1.50 multiplied times the maximum desired operating pressure.

ANSI 600 fittings have a maximum allowable operating pressure of 1480 psig at 150 F.

## **VIII. TESTING OF INSTALLATION**

- |                               |   |
|-------------------------------|---|
| A. Test Medium                | Water   |
| B. Minimum Test Pressure      | 1560 psig   |
| C. Test Duration              | 8 hour minimum  |
| D. Pressure Charting Method   | Digital Test Gauge with Chart Recorder                    |
| E. New Weld Visual Inspection | 100%  |
| F. New Weld Joint Inspection  | As required by Michigan Gas Safety Standards 25th Edition |
| G. Pipe Coating Inspection    | 100% jeeped   |

The test outlined above complies with or exceeds Rules 192.241, 192.243 and 192.505.

## **IX. CORROSION PROTECTION**

The pipeline will be electrically isolated at the receipt and delivery points with insulating gaskets, stud sleeves and washers.

The DSG RNG Pipeline will be cathodically protected by use of sacrificial anodes in compliance with Subpart I of the Michigan Gas Safety Standards. Corrosion inhibitors shall be used as needed to prevent internal corrosion.

## **X. ROAD AND HIGHWAY CROSSINGS**

There are no road or highway crossings.

## **XI. STREAM AND DRAIN CROSSINGS**

There are two drain crossings in the new pipeline segment that will be installed by horizontal directional drilling & boring.

## **XII. RAILROAD CROSSINGS**

There are no railroad crossings in the new pipeline segment.

### **XIII. BENDS**

Bends will be made in the field by the cold bend method in accordance with the standards of the Michigan Gas Safety Standards. Alternatively, segmentable fittings may be used.

### **XIV. TRENCHING AND PIPE LAYING**

The proposed DSG RNG Pipeline will be installed via trenching and horizontal directional drilling & boring. A minimum of 60" of cover will be provided. If required, backfill will be placed so that settlement does not occur after restoration of the right of way.

### **XV. PIPE FABRICATION AND JOINING SPECIFICATIONS**

All fabrication shall be welded except for any control devices or instrumentation. Welded joints will meet or exceed the standards outlined in the Michigan Gas Safety Standards and the quality standards of API Standard 1104. The weld acceptance criterion shall meet or exceed the standard for API Standard 1104 latest edition.

### **XVI. MAPS AND RECORDS**

Once the proposed pipeline is finished, maps and records will be made available to the Commission with the exact location of the pipeline, GPS coordinates of girth welds, GPS coordinates of anode beds and test stations, results of an above ground electrical survey to identify defects in pipeline coating, results of the post installation internal gauge pig run, details of construction, and pipe specifications.

**EXHIBIT C**

**PIPELINE COST ESTIMATE**

| <b>ITEM</b>                           | <b>COST</b>        |
|---------------------------------------|--------------------|
| ENGINEERING & SURVEYING               | \$100,000          |
| LEGAL                                 | \$50,000           |
| LAND                                  | \$75,000           |
| INSPECTION                            | \$89,900           |
| RADIOGRAPHIC INSPECTION               | \$65,000           |
| INSTALLATION & FABRICATION            | \$976,000          |
| CATHODIC INSPECTION & INSTALLATION    | \$10,500           |
| PIPE, FITTINGS & MATERIALS            | \$397,000          |
| METERING STATIONS                     | \$400,000          |
| SUPERVISION, OVERHEAD & CONTINGENCIES | \$230,300          |
| <b>TOTAL:</b>                         | <b>\$2,393,400</b> |

## **Exhibit D**

### **ENVIRONMENTAL IMPACT REPORT**

#### **I. INTRODUCTION**

Approximately 12,600 feet of nominal 4" steel pipeline and gas measurement facilities will be installed to transport renewable natural gas recovered from a digester at De Saegher Dairy to an inter-connect with DTE and deliver natural gas to the De Saegher Dairy.

Environmental impact will be minimal.

#### **II. DESCRIPTION OF THE NEW PIPELINE SEGMENT**

The proposed pipeline will transport dehydrated renewable natural gas from the De Saegher digester facility in SE/4 SW/4 of Section 14 in New Haven Township T10N R4W, Gratiot County to the existing DTE ABC pipeline system located in the SE/4 NE/4 of Section 14 in New Haven Township T10N R4W, Gratiot County.

#### **III. PERMITS**

Permits required for the construction of the pipeline shall be obtained before commencement of construction activities. No Road crossings permits will be required, A permit application for Soil Erosion and Sedimentation Control will be submitted to Gratiot County Permits Office prior to commencement of construction activities.

#### **IV. LAND USE AND FEATURES**

The land on the north side of Buchanan Rd. is entirely agricultural land. There are no designated historical sites within the project area listed on the National Register of Historic Places in Gratiot County, Michigan. The proposed pipeline will have minimal impact on archaeological, cultural, or historic resources.

#### **V. SPECIES AND ECOSYSTEMS**

Numerous animal species common to Michigan's southern Lower Peninsula may inhabit the undeveloped section of the proposed pipe segment. An analysis of endangered species determined there are no endangered species in Gratiot County.

[Sic] State of Michigan's Department of Agricultural & Rural Development (MDARD) [https://www.michigan.gov/mdard/0,4610,7-125-1569\\_16988\\_35287-126817--,00.html#Gratiot](https://www.michigan.gov/mdard/0,4610,7-125-1569_16988_35287-126817--,00.html#Gratiot)

#### **VI. CONSTRUCTION ACTIVITIES EFFECT ON THE ENVIRONMENT**

The majority of pipeline will be open trenched across farmland and County drains will be crossed using Horizontal Directional Drilling (HDD) methods. Therefore construction activities will have minimal impact on the environment. Installation of the pipeline next to the road right of way will also have negligible effect on adjacent land.

Reseeding and other restoration techniques will be applied as necessary. Total construction time will be approximately 12 weeks.

## **VII. MEASURES TO MINIMIZE NEGATIVE ENVIRONMENTAL IMPACT**

In compliance with Michigan's Soil Erosion and Sedimentation Control Act of 347, P.A. 1972, the pipeline right of way will be stabilized by reseeding as needed.

## **VIII. EVALUATION OF ALTERNATIVES**

The only alternative to the proposed route is to cross additional private lands that would increase the length of the pipeline. Utilizing additional private land would disturb more farmland compared to the proposed route. Any other route would entail installing additional pipe which would be wasteful. Without this pipeline, approximately 1.0 Bcf of renewable natural gas annually would not be recovered, which is a waste of a natural resource and would increase the amount of greenhouse gas emissions.

## **IX. CONCLUSION**

The proposed route and installation methods will have the least environmental impact for the transportation of the renewable natural gas from the dairy digester.

