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Public Service Commission of Wisconsin
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January 26, 2015

Ms. Sandra J. Paske
Secretary to the Commission
Public Service Commission of Wisconsin
P.O. Box 7854
Madison, WI 53707-7854

Dear Ms. Paske:

Application of Wisconsin Gas LLC, as a Gas Public Utility, for Authority to Install Natural Gas Distribution Facilities in the Town of Dovre, Barron County, Wisconsin

Pursuant to § 196.49, Wis. Stats., and § PSC 133.03 (1) (a), Wis. Adm. Code, Wisconsin Gas LLC, ("Wisconsin Gas" or "the Company"), requests authority to install facilities located in the town of Dovre, Barron County, Wisconsin. The Company proposes to serve Northern Industrial Sands, LLC and Global Proppant Supply, LLC ("the Customers") from a new town border station and distribution main. This project has been designated as the "Dovre Sand Plants Project".

Project Overview

The Customers have requested service to dry sand and are expected to use a total of 164 decatherms per hour. The project includes the installation of a new town border station, distribution main, and services and meters for the Customers. A project overview map is enclosed as ***Exhibit A***.

Proposed Project

The proposed Dovre Town Border Station (TBS) will be used to supply natural gas from Northern Natural Gas (NNG). The new TBS will be sited on private property south of 2¾ Avenue (Spring Hill Drive), along 24¾ Street (Novak Road) on the southwest end of the project. NNG will be negotiating with the property owner to secure an easement for the proposed TBS.

The project will include two different sections of distribution main. The first section of main will include approximately 18,140 feet of 8-inch, 60 psig distribution pressure, polyethylene and steel main:

- Start at the proposed TBS
- North along the east side of 24¾ Street (Novak Road)
- East along the south side of 3rd Avenue
- North along the east side of 25½ Street (Church Road)
- East along the north side of CTH AA (3½ Ave), south of the Global Proppant Supply site
- End by tying into the existing 8-inch, polyethylene, distribution main along CTH SS

The second section of main includes approximately 1,025 feet of 6-inch, 60 psig distribution pressure, polyethylene and steel main:

- Start at the existing 8-inch, polyethylene, distribution main along CTH SS
- West along the north side of 5¼ Avenue (Malcolm Road)
- End at the Northern Industrial Sands site

The main described above will be installed within public road right-of-way, and the location of the proposed project is shown in ***Exhibit B: Attachment 2, Figure 1.*** Both planning locates and bore logs from the Wisconsin Department of Transportation were reviewed by the Company to confirm that available information was used to calculate the cost estimate for the proposed route.

The Company will be installing approximately 3,130 feet of 6-inch polyethylene and steel main on the Customers' private property within a proposed 20-foot wide permanent easement adjacent to the private access roads. Approximately 1,060 feet of 6-inch polyethylene will be installed on the Customers' private property as service laterals to the industrial meter sets.

The final facility location and design is subject to any construction obstacles identified in the field, whether within the right-of-way or on the Customers' private property.

In order to meet the project timeline, the Company is requesting project approval by July 2015 to support the proposed construction schedule. Construction of this project is tentatively scheduled to begin August 2015 with an estimated completion date of November 2015.

All gas facilities will be designed and constructed with pipe and fittings conforming to the national codes and § PSC 135, Wis. Adm. Code. No property will be retired as a result of this project.

Effect of Project on Cost of Operation and Reliability of Service

The Company believes that the installation of this main is the best alternative and most advantageous means of meeting our obligation as a public utility. The project will not result in facilities in excess of present demand and probable future requirements.

Project Cost and Financing

Wisconsin Gas LLC estimates the total cost of the project is $3.044M, as shown below. The required contribution amount of $23,000 includes excess service footage only. The proposed main estimate was calculated using 2015 contractor costs. The financial analysis for the customer contributions was based on a 10-year payback.

Proposed Project Costs		
Contractor Costs	$	1,055
Materials	$	823
Company Labor	$	185
Vehicles, Other	$	981
Total Project Cost	**$**	**3,044**
Customer Contribution	$	(23)
Net Cost	**$**	**3,021**

**Dollars are shown in $ thousands*
** Costs include 10% contingency*

The cost of the project will be met from internal resources and/or the issuance of the sales of securities. No existing plants are being replaced or retired as a result of the project.

Alternatives Considered and Reason for Rejection

There are no practical alternatives for the proposed project. There are no environmental, cultural or land use issues at this time that would warrant consideration for alternative routing. All proposed main construction will be within road right of way or on the Customers' private property. Additionally, any other alternate location would increase the amount of materials and cost of the project.

A map showing the reviewed routes and area overview is attached as ***Exhibit C***. The reviewed route adds approximately 2.5 miles of main to the total project length. The reviewed route is south along 24¾ Street (Novak Rd), east along 1½ Avenue (Lowell Dr), north along 25½ Street (Church Rd), east along 2nd Ave, north along 27th Street (Dovre Rd), and west along CTH AA (3½ Ave). Due to both the additional length and environmental impacts, this route was not selected.

The Company believes that the proposed route is the most advantageous, in that it can be constructed in an expeditious manner while having minimal environmental impact and limiting impacts to residents, businesses and municipalities along the proposed route.

Entities Affected by the Project

The Company currently serves the town of Dovre. Gas service will be available to properties directly on the proposed route and available to properties near the proposed route in accordance with the extension rules once the project goes in-service.

Appropriate permits and approvals from the town of Dovre, Barron County, and the Wisconsin Department of Transportation will be obtained following PSCW approval and prior to commencing construction.

Environmental Screening

Pursuant to § PSC 4.10 (3), Wis. Adm. Code, this project is categorized as a Type II action which could require preparation of an environmental assessment. Environmental screening information for the proposed project is included in ***Exhibit B***. It is highly unlikely that this project will impact any environmental or cultural resources as further described in the screening document, and as previously noted the route is entirely in public row except for the main on private property and customer services.

Stream Crossing/Flood Hazard Exposure/Impact

Typical construction methods will be used in areas that are outside of field identified wetlands and waterways. All stream and wetland crossings will be directional drilled. To the extent practicable, all bore pits associated with directional drilling will be located at a minimum of 25-feet outside of the field delineated wetland boundaries. For a variety of reasons, including the physical limitations of the polyethylene pipe, the Company anticipates wetland disturbance associated with tie in pits required to complete some of the lengthy wetland directional drills. Should conditions warrant, dewatering procedures and a frac-out response plan will be implemented.

A flood hazard figure is included as an attachment to Exhibit B. This figure indicates that no portions of the proposed project occur within the mapped 1% flood zone, 100-year floodplain, or Zone A.

If you have any questions concerning this project, please contact Paul Farron at (414) 221-3958.

Sincerely,

James A. Schubilske
Vice President
State Regulatory Affairs

Exhibits include:
Exhibit A – Project Overview Map
Exhibit B – Environmental Screening Information and Attachments
Exhibit C – Reviewed Routes & Area Overview Map