

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY
ECONOMIC REGULATORY ADMINISTRATION

MIDWESTERN GAS TRANSMISSION) ERA DOCKET NO. 78-009-NG
COMPANY)

ORDER GRANTING APPLICATION OF
MIDWESTERN GAS TRANSMISSION COMPANY FOR
AUTHORIZATION TO IMPORT ADDITIONAL VOLUMES OF
NATURAL GAS FROM CANADA TO
REFLECT ADJUSTMENTS IN ENERGY CONTENT

On November 20, 1978, Midwestern Gas Transmission Company (Midwestern) filed an application with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE), pursuant to Section 3 of the Natural Gas Act, to import up to 8,000 Mcf per day of natural gas from Canada in addition to volumes which it already had authorization to import. 1/

The additional volumes would be purchased from TransCanada Pipelines Limited (TransCanada) for the purpose of offsetting an expected drop in the energy content or heating value of natural gas being imported under existing authorizations.

Specifically, Midwestern states that it was informed by TransCanada that, as a result of the expanding petrochemical industry in the Canadian province of Alberta, certain additional natural gas liquids are being removed from TransCanada's natural gas stream, causing the total heating value to drop below the level of approximately 1,000 British thermal units (Btu's) per cubic foot in the natural gas previously supplied by TransCanada; and that TransCanada informed Midwestern that it desired to amend its gas purchase contracts with Midwestern to provide for a Btu content corresponding to its gas purchase contracts with its producers, which generally provide for minimum Btu content of 950 per cubic foot.

1/ Midwestern's contract dated June 30, 1967, for 116,332 Mcf per day was authorized in 37 FPC 1070 (June 20, 1967). Midwestern proposes to increase the contract volume to 124,332 Mcf per day to offset a Btu reduction covering the cited contract as well as two other contracts dated April 14, 1960, as amended for 222,360 Mcf authorized in 22 FPC 775 (October 31, 1959) and 34 FPC 457 (August 10, 1965), and October 30, 1970, for 7,200 Mcf authorized in 43 FPC 635 (April 30, 1970).

Pursuant to TransCanada's request, and to offset the decline in energy content of natural gas sold to Midwestern, the Canadian National Energy Board (NEB), by an order issued July 27, 1978, authorized TransCanada to increase its maximum daily deliveries of natural gas to 151,000 Mcf per day from 143,000 Mcf per day under existing NEB export license number GL-18. The increase of 8,000 Mcf per day does not represent an increase in the amount of energy imported, nor does it represent an additional cost for the import, since the price is the border price established by the NEB and is based on units of energy (expressed in Btu's). Under this proposal, the total energy being imported would remain substantially unchanged.

Since Midwestern filed its November 20, 1978 application, the NEB has announced several increases in the price of natural gas exported from Canada, including that exported by TransCanada to Midwestern, as established by the Governor General in Council, on recommendation of the Minister of Energy, Mines and Resources. The latest border price, effective November 3, 1979, is set at not less than the Canadian dollar equivalent for each month of \$3.45 (U.S.) per one thousand Btu's. Midwestern states that it had been advised by TransCanada that the additional volumes proposed to be purchased by Midwestern would not be available for export at any price below that established by the Canadian government.

On December 18, 1978, ERA issued a notice of receipt of Midwestern's application with invitation to submit comments and petitions to intervene (43 FR 60190, December 26, 1978). On January 30, 1979, Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin) -- collectively referred to henceforth as the "NSP Companies" -- filed a joint petition to intervene in support of Midwestern's application. On January 31, 1979, North Central Public Service Company (North Central) filed a petition to intervene in support of Midwestern's application.

Neither the applicant nor the petitioners for intervention requested a hearing in this proceeding, and none was held. No comments on the application were received other than those contained in the petitions for intervention by the three companies named above, all of which asserted they were customers of Midwestern's and urged approval of the application.

ERA finds that the interests of the NSP Companies and North Central are not adequately represented by other parties and will grant them status as interveners in this proceeding, as requested by them, with the concomitant right to request a rehearing of ERA's findings and decisions as stated in this order.

ERA has evaluated Midwestern's application, the petitions submitted in support of the application, and other information relevant to the increased border price of natural gas exported from Canada to the United States. The additional volumes requested are solely for the purpose of maintaining the net energy imported into the United States equal to that represented by the volume of natural gas previously authorized for importation by Midwest.

U. S. Government policies encourage the use of currently available natural gas supplies, emphasizing the role of natural gas in reducing our reliance on imported petroleum. Approval of this application is consistent with that policy in that it will maintain the amount of natural gas energy available to all U.S. customers dependent upon this natural gas, as well as ensuring that there will be no increase in fuel oil use.

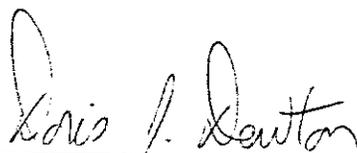
ORDER

1. Northern States Power Company (Minnesota), Northern States Power Company (Wisconsin) and North Central Public Service Company are hereby granted status as interveners in this proceeding.

2. It is ordered that Midwestern Gas Transmission Company be authorized, pursuant to Section 3 of the Natural Gas Act, to import up to 151,000 Mcf per day of natural gas from Canada, purchased from TransCanada Pipelines Limited.

3. This Order is effective upon signature.

Issued in Washington, D.C., on November 9, 1979.



Doris J. Dewton
Assistant Administrator
Office of Petroleum Operations
Economic Regulatory Administration