

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
MICHIGAN CONSOLIDATED GAS)
COMPANY)
_____)

FE DOCKET NO. 96-33-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1173

JUNE 7, 1996

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I. DESCRIPTION OF REQUEST _____

On May 24 1996, as supplemented on June 5, 1996, Michigan Consolidated Gas Company (MichCon) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} and DOE Delegation

Order Nos. 0204-111 and 204-127, for blanket authorization to import up to 73 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after October 31, 1996.^{2/} MichCon, a Michigan corporation with its principal

place of business in Detroit, is engaged in the storage, transmission and local distribution of natural gas to approximately one million customers located in the State of Michigan. The imported gas will be sold to purchasers in the United States under terms and conditions which will reflect market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by MichCon has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring

1/ 15 U.S.C. 717b. _____

2/ MichCon's current authorization granted by DOE/FE Order

No. 589, dated February 28, 1992, (1 FE 70,547) expires
October 31, 1996.

national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by MichCon to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Michigan Consolidated Gas Company (MichCon) is authorized to import up to 73 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after October 31, 1996. This natural gas may be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, MichCon shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, MichCon shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be

filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, MichCon must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1997, and should cover the period from November 1, 1996, until the end of the fourth calendar quarter, December 31, 1996.

Issued in Washington, D.C., on June 7, 1996.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy