

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
MIDCON GAS SERVICES CORP.)
_____)

FE DOCKET NO. 97-50-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA AND MEXICO

DOE/FE ORDER NO. 1285

JUNE 27, 1997

—

I. DESCRIPTION OF REQUEST _____

On June 27, 1997, Midcon Gas Services Corp. (Midcon) 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 0204-127, requesting blanket authorization to export natural gas to Canada and Mexico. Up to a combined total of 600 Bcf of domestic gas would be exported under short-term and spot market transactions. The term of the authorization would be for two years beginning on the date of the first delivery after June 30, 1997.^{2/} Midcon, a

marketer of natural gas, is a Delaware corporation, with its principal place of business in Lombard, Illinois. Midcon plans to export the requested volumes either on its own behalf or as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Midcon has been evaluated to determine if the proposed export 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 export of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be

1/ 15 U.S.C. § 717.b. _____

2/ This is the expiration date of Midcon's existing blanket

export authorization granted by DOE/FE Order No. 1034 issued
March 27, 1995 (1 FE □ 71,094).

consistent with the public interest and must be granted without modification or delay. The authorization sought by Midcon to export natural gas to Canada and Mexico, nations with which free trade agreements are in effect, meet 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. Midcon Gas Services Corp. (Midcon) is authorized to export, at any point on the U.S. international border, up to a combined total of 600 Bcf of natural gas to Canada and Mexico over a period of two years beginning on the date of the first delivery after June 30, 1997.

B. Within two weeks after deliveries begin, Midcon shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, FE-34, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export of natural gas authorized in Ordering Paragraph A above have occurred.

C. With respect to the natural gas exports authorized by this Order, Midcon shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether

exports of natural gas have been made. Quarterly reports must be

filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Midcon must report monthly total volumes in Mcf and the average sales price per MMBtu at the international border. The reports shall also provide the details of each export 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 U.S. transporter(s); (5) the point(s) of exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1997, and should cover the period from July 1, 1997 until the end of the third calendar quarter, September 30, 1997.

Issued in Washington, D.C., on June 27, 1997.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy