

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CMS MARKETING, SERVICES AND TRADING COMPANY

FE DOCKET NO. 97-57-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA

DOE/FE ORDER NO. 1294

AUGUST 18, 1997

I. DESCRIPTION OF REQUEST

On August 11, 1997, CMS Marketing, Services and Trading Company (CMS) 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, for authorization to import up to 140 Bcf of natural gas and to export up to 140 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first import or export delivery. CMS, a Michigan corporation with its principal place of business in Jackson, Michigan, is an indirect subsidiary of CMS Energy Corporation. CMS will import and export the natural gas under competitive market conditions existing at the time of the arrangement. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by CMS has been evaluated to determine if the proposed import and 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 import or export of natural gas from or 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 consistent with the public interest and must be granted without modification or delay. The authorization sought by CMS to import and export natural gas from and to 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. CMS Marketing, Services and Trading Company (CMS) is authorized to import up to 140 Bcf of natural gas and to export up to 140 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first import or export delivery. This natural gas may be imported or exported at any point on the border of the United States and Canada.

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

C. With respect to the natural gas imports and exports authorized by this Order, CMS shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, CMS must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U. S. transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 October 30, 1997, and should cover the period from the date of this Order, until the end of the second calendar quarter, September 30, 1997.

Issued in Washington, D.C., on August 18, 1997.

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

1. 1/ 15 U.S.C. § 717b.