

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PROLIANCE ENERGY, LLC

FE DOCKET NO. 98-06-NG

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

DOE/FE ORDER NO. 1357

FEBRUARY 03, 1998

I. DESCRIPTION OF REQUEST

On January 21, 1998, ProLiance Energy, LLC (ProLiance) 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 and export up to a combined total of 500 Bcf of natural gas, from and to Canada and Mexico, over a two-year term beginning on the date of first import or export delivery. ProLiance is an Indiana Limited Company with its principal place of business in Indianapolis, Indiana. ProLiance is jointly owned by IGC Energy, Inc. and Citizens By-Products Coal Company. ProLiance will import and export the natural gas under short-term and spot market arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by ProLiance 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 ProLiance to import and export natural gas, from and to Canada and Mexico, nations with which free trade agreements are 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. ProLiance Energy, LLC (ProLiance) is authorized to import and export up to a combined total of 500 Bcf of natural gas, from and to Canada and Mexico, over a two-year term beginning on the date of first import or export delivery.
- B. This natural gas may be imported or exported at any point on the borders between the United States and Canada, and between the United States and Mexico.
- C. Within two weeks after deliveries begin, ProLiance shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first import or export of natural gas authorized in Ordering Paragraph A above has occurred.
- D. With respect to the natural gas imports and exports authorized by this Order, ProLiance 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, ProLiance 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; (2) the country of origin; and, if applicable, (3) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.
- E. The reporting requirements described in Ordering Paragraphs C and D of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

F. The first quarterly report required by Ordering Paragraph D of this Order is due not later than April 30, 1998, and should cover the period from the date of this Order, until the end of the first calendar quarter, March 31, 1998.

Issued in Washington, D.C., on February 03, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.