

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CARTHAGE ENERGY SERVICES, INC)
_____)

FE DOCKET NO. 99-34-NG

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

DOE/FE ORDER NO. 1486

JUNE 4, 1999

I. DESCRIPTION OF REQUEST

On May 27, 1999, Carthage Energy Services, Inc. (Carthage) 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 25 Bcf and to export up to 25 Bcf of natural gas from and to Canada over a two-year term beginning on April 29, 1999, and extending through April 28, 2001.^{2/} Carthage, a Michigan corporation with its principal place of business in Traverse City, Michigan, is a natural gas marketer. Carthage will import and export the natural gas, either on its own behalf or as agent for others, under short-term sales arrangements which will be freely negotiated and therefore competitive and market responsive. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Carthage 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 Carthage 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

^{1/} 15 U.S.C. § 717b.

^{2/} April 28, 1999, is the date Carthage's previous blanket authorization to import and export natural gas from and to Canada expired. See DOE/FE Order No.1269 issued April 29, 1997 (1FE ¶71,398).

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. Carthage Energy Services, Inc. (Carthage) is authorized to import up to 25 Bcf of natural gas and to export up to 25 Bcf of natural gas from and to Canada over a two-year term beginning on April 29, 1999, and extending through April 28, 2001. This natural gas may be imported or exported at any point on the border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, Carthage shall file, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. 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, Carthage 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 United States 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.

C. The reports required in Ordering Paragraphs B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1999, and should cover the period from April 29, 1999, until the end of the second calendar quarter, June 30, 1999.

Issued in Washington, D.C., on June 4, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural gas & Petroleum
Import & Export Activities
Office of Fossil Energy