

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

MICHIGAN CONSOLIDATED GAS COMPANY)

FE DOCKET NO. 04-16-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 1946

FEBRUARY 18, 2004

I. DESCRIPTION OF REQUEST

On February 13, 2004, Michigan Consolidated Gas Company (Michigan Consolidated), filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to export up to 30 billion cubic feet of natural gas to Canada over a period of two years beginning on May 1, 2004, and extending through April 30, 2006. Michigan Consolidated, a subsidiary of DTE Energy Company, is a Michigan company with its principal place of business in Detroit, Michigan. Michigan Consolidated will export the natural gas under short-term or spot market natural gas transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Michigan Consolidated 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 from 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 Michigan Consolidated to export natural gas to Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and,

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

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 is authorized to export up to 30 billion cubic feet of natural gas to Canada over a period of two years beginning on May 1, 2004, and extending through April 30, 2006. This natural gas may be exported at any point on the international border between the United States and Canada.

B. With respect to the natural gas exports authorized by this Order, Michigan Consolidated shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Michigan Consolidated 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); and (7) the point(s) of exit.

[OMB No.: 1901-0294]

C. The quarterly reports required by Ordering Paragraph 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 B of this Order is due not later than July 30, 2004, and should cover the period from May 1, 2004, through the end of the second calendar quarter, June 30, 2004.

Issued in Washington, D.C., on February 18, 2004.

Sally Kornfeld
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy