

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DOE/OFE/NGR

SEMCO ENERGY GAS COMPANY)
_____)

FE DOCKET NO. 06-120-NG

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

DOE/FE ORDER NO. 2299

NOVEMBER 22, 2006

I. DESCRIPTION OF REQUEST

On October 24, 2006, SEMCO Energy Gas Company (SEMCO) 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 for blanket authorization to import and export up to a combined total of 29.20 billion cubic feet of natural gas from and to Canada. The applicant requests the authorization be granted for a two-year term beginning on October 31, 2006. SEMCO is a Michigan corporation with its principal place of business in Port Huron, Michigan.

II. FINDING

The application 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), of the NGA, the import and export of natural gas from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by SEMCO 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 Order authorizes transactions with terms of no longer than two years.

¹ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redesignation Order No. 00.002.04B (September 23, 2005).

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. SEMCO Energy Gas Company (SEMCO) is authorized to import and export up to a combined total of 29.20 billion cubic feet of natural gas from and to Canada pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term which began on October 31, 2006, and extends through October 30, 2008.

B. This natural gas may be imported and exported at any point on the border between the United States and Canada.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, SEMCO shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; and (4) the total volume at each import or export point in thousand cubic feet (Mcf) for the month. [OMB No. 1901-0294]

D. The first monthly report required by this Order is due not later than December 30, 2006, and should cover the retroactive reporting period of October, 2006, and the current reporting period from November 1, 2006 through November 30, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, SEMCO shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, 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 neither imports nor exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the supplier(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the supply agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry or exit; and (8) for imports, the geographic market(s) served, by State. [OMB No. 1901-0294]

F. The first quarterly report required by this Order is due not later than January 30, 2007, and should cover the reporting period for the fourth calendar quarter, commencing October 31, 2006 through December 31, 2006.

G. Both the monthly and quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on November 22, 2006.



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy