

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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CONTINENTAL ENERGY MARKETING LTD. ) FE DOCKET NO. 92-52-NG  
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ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT NATURAL GAS TO CANADA

DOE/FE OPINION AND ORDER NO. 648

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JULY 28, 1992  
  
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I. BACKGROUND

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On April 16, 1992, Continental Energy Marketing Ltd. (Continental) filed an application with the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to export from the United States to Canada up to 75 Bcf of U.S. natural gas over a two-year term beginning with the date of first delivery. Continental, a Canadian corporation with its principal place of business in Calgary, Alberta, Canada, intends to purchase natural gas from a range of natural gas producers and marketers, primarily located in the U.S. Gulf Coast and Oklahoma regions. Prospective purchasers of this gas would include local distribution companies, pipelines, marketers, and end-users. Continental asserts the gas it plans to export would not be needed for domestic consumption, and that domestic producers will benefit from the additional sales of gas resulting from the proposed exports. Continental would use existing facilities to export the natural gas and would comply with DOE's quarterly reporting provisions.

A notice of the application was published in the Federal Register on June 3, 1992, inviting protests, motions to intervene, notices of intervention, and comments to be filed by July 6, 1992.<sup>1/</sup> No comments or motions to intervene were received.

1/ 57 FR 23391.

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## II. DECISION

The application filed by Continental has been evaluated to determine if the proposed export arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an export must be authorized unless there is a finding that it "will not be consistent with the public interest."<sup>2/</sup> When natural gas export applications are reviewed, domestic need for the gas to be exported is considered, and any other issues determined to be appropriate in a particular case.

Continental's uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and the DOE's international gas trade policy. Natural gas supplies in the United States are expected to continue to be more than adequate to meet consumer demand. For this reason, and because Continental's transactions will be short-term and market-responsive, it is unlikely that the proposed export volumes will be needed in the domestic market during the term of this authorization. Additionally, Continental's proposal, which is similar to other blanket export arrangements approved by DOE,<sup>3/</sup> will further the Secretary of Energy's policy goal to reduce trade barriers by promoting a more market-oriented gas trade between the United States and Canada.

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<sup>2/</sup> 15 U.S.C. Sec. 717b.

3/ See e.g., Utrade Gas Company, 1 FE 70,469 (July 26, 1991);  
Venro Petroleum Corporation, 1 FE 70,465 (July 22, 1991);  
Texaco Gas Marketing, Inc., 1 FE 70,458 (June 21, 1991).

After considering all the information in the record of this proceeding, I find that authorizing Continental to export to Canada up to 75 Bcf of natural gas over a two-years term, under contracts with terms of two years or less, is not inconsistent with the public interest.<sup>4/</sup>

ORDER

For reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Continental Energy Marketing Ltd. (Continental) is authorized to export up to 75 Bcf of natural gas from the United States to Canada over a two-year term beginning on the date of the first delivery.

B. Continental is authorized to export natural gas at any point on the U.S./Canada border where existing pipeline facilities are located.

C. Within two weeks after deliveries begin, Continental shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first delivery of natural gas authorized in ordering paragraph A above occurred.

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<sup>4/</sup> Because the proposed import/export of gas will use existing facilities, DOE has determined that granting this authorization is not a major federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. 4321, et seq.); therefore, an

environmental impact statement or environmental assessment is not required. See 40 CFR 1508.4 and 57 FR 15122 (April 24, 1992).

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D. Regarding the natural gas exports authorized by this order, Continental shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports occurred, Continental must report monthly total volumes in Mcf, and the average sales price per MMBtu at the international border. The reports shall also provide the details of each export transaction, including (1) the names of the purchasers; (2) the estimated or actual duration of the agreements; (3) the names of the U.S. transporter(s); (4) the points of exit; (5) the geographic market(s) served; and, (6) whether the sale are being made on an interruptible or firm basis. Failure to file quarterly reports may result in termination of this authorization

E. The first quarterly report required by ordering paragraph D is due not later than October 30, 1992, and should cover the period from the date of this order until the end of the current calendar quarter September 30, 1992.

Issued in Washington, D.C., on July 28, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy