

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

VECTOR ENERGY (U.S.A.) INC.)
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FE DOCKET NO. 92-118-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE OPINION AND ORDER NO. 699

OCTOBER 29, 1992

I. DESCRIPTION OF REQUEST

On September 11, 1992, Vector Energy (U.S.A.) Inc. (Vector) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting blanket authorization to import up to 30 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery.

Vector, a Delaware corporation with its headquarters in Wilmington, Delaware, is a wholly-owned subsidiary of Vector Energy Inc., a Canadian corporation. Vector proposes to act as either a broker or reseller of the imported gas.

II. FINDING

The application filed by Vector has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of The Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the importation 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 Vector to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

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

A. Vector Energy (U.S.A.) Inc. (Vector) is authorized to import from Canada, at any point on the international border, up to 30 Bcf of natural gas over a two-year term beginning on the date of first delivery.

B. Within two weeks after deliveries begin, Vector shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Vector shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Vector must report total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including (1) the names of the seller(s); (2) the names of the purchasers; (3) the estimated or actual duration of the agreement(s); (4) the names of the U.S. transporter(s); (5) point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and if applicable, (8) the

contract pricing provisions, including the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter December 31, 1992.

Issued in Washington, D.C., on October 29, 1992.

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