

UNITED STATE OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

UNION GAS LIMITED

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FE DOCKET NO. 92-126-NG

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

DOE/FE ORDER NO. 737

NOVEMBER 25, 1992

I. BACKGROUND

On September 30, 1992, as amended November 19, 1992, Union Gas Limited (Union) 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 (1) import, for subsequent export to Canada, up to 100 Bcf of natural gas, including liquefied natural gas (LNG), from Canada, and (2) export up to 100 Bcf of U.S. natural gas to Canada, including LNG, for a two-year term beginning on the date of first import or export after December 31, 1992, the date Union's current authorization expires (1 FE 70,348). Union, a Canadian corporation with its principal place of business in Chatam, Ontario, Canada, is a local gas distribution company, engaged in the transmission, storage, and sale of gas. Union proposes to import and export gas either for its own account or as agent on behalf of others.

II. FINDING

The application filed by Union has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements 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 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 Union 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 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. Union Gas Limited (Union) is authorized to import up to a total of 100 Bcf of natural gas including liquefied natural gas (LNG) from Canada and to export up to a total of 200 Bcf of natural gas, including LNG, to Canada over a two-year term beginning on the date of first delivery after December 31, 1992.

B. This natural gas or LNG may be exported/imported at any point on the United States/Canada border where existing or LNG facilities are located.

C. Within two weeks after deliveries begin, Union 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.

D. With respect to the natural gas imports/exports authorized by this Order, Union 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/exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports/exports occur, Union must report total monthly volumes in

Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import/export transaction, including (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and if applicable, (8) the per unit (MMBtu) demand/commodity/ reservation charge breakdown of the contract price.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1993, and should cover the period from January 1, 1993 until the end of the first calendar quarter January 1, 1993.

Issued in Washington, D.C., on November 25, 1992.

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