

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CANWEST GAS SUPPLY U.S.A., INC.

)
)
)

FE DOCKET NO. 92-159-NG

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

DOE/FE ORDER NO. 760

DECEMBER 29, 1992

I. DESCRIPTION OF REQUEST _____

On December 11, 1992, CanWest Gas Supply U.S.A., Inc. (CanWest U.S.A.) 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 and/or export a cumulative maximum of 400 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first delivery after February 28, 1993, the date that CanWest U.S.A.'s current authorization expires (see 1 FE 70,404). CanWest will _____ import and/or export gas for its own account and as an agent for others.

CanWest U.S.A., a Delaware corporation with its headquarters in Vancouver, British Columbia, is an aggregator of Canadian natural gas for sale in domestic and export markets. CanWest U.S.A. is beneficially owned by CanWest U.S.A., Inc., a holding company incorporated under the laws of the State of Delaware, which is in turn beneficially owned by CanWest Gas Supply Inc., a Canadian corporation.

II. FINDING _____

The application filed by CanWest U.S.A. 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), an import or export of natural gas from or to 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 CanWest U.S.A. 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 reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. CanWest Gas Supply U.S.A., Inc. (CanWest U.S.A.) is authorized to import and/or export a cumulative maximum of 400 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first delivery after February 28, 1993.

B. This natural gas may be imported and exported at any point on the U.S./Canada border.

C. Within two weeks after deliveries begin, CanWest U.S.A. 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 or export of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports and exports authorized by this Order, CanWest U.S.A. shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter

must be filed. If imports or exports have occurred, CanWest U.S.A. must report monthly total volumes in Mcf and the average purchase or sales 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 the 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.

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

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

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