

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

UNIGAS ENERGY, INC.

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FE DOCKET NO. 92-151-NG

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ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT  
NATURAL GAS, INCLUDING LIQUEFIED NATURAL GAS, FROM CANADA

DOE/FE ORDER NO. 781

MARCH 12, 1993

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On November 25, 1992, as amended March 4, 1993, Unigas Energy Inc. (Unigas) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup>, requesting blanket authorization to

import up to 290 Bcf of natural gas, including liquefied natural gas (LNG), from Canada over a two-year term beginning April 8, 1993.<sup>2/</sup> Unigas, a Delaware corporation with its principal

place of business in Traverse City, Michigan, requests authority to import this gas under spot and short-term purchase arrangements either on its own behalf or as the agent for others. The specific terms of each import, including price and volume, would be negotiated at arms length in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by Unigas has been evaluated to determine if the proposed import 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), 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, and imports of LNG generally, are deemed to be consistent with the public interest

1. 15 U.S.C. 717b.

2. This is the day after Unigas' current authorization expires.

See DOE/FE Opinion and Order No. 488 issued March 26, 1991

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(1 FE 70,431).

and must be granted without modification or delay. The authorization sought by Unigas to import natural gas and LNG from 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 blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Unigas Energy, Inc. (Unigas) is authorized to import from Canada, at any point on the international border, up to 290 Bcf of natural gas, including liquefied natural gas (LNG), over a two-year term beginning on the date of first delivery after April 7, 1993.

B. Within two weeks after deliveries begin, Unigas 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, Unigas shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas, including LNG, have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports

occur, Unigas 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 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; (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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1993, and should cover the period from April 8, 1993, until the end of the second calendar quarter, June 30, 1993.

Issued in Washington, D.C., on March 12, 1993.

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Anthony J. Como  
Acting Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy