

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

)
KCS ENERGY MARKETING, INC.)
)

FE DOCKET NO. 93-33-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 790

MARCH 30, 1993

I. DESCRIPTION OF REQUEST _____

On March 23, 1993, KCS Energy Marketing, Inc. (KCS), formerly Energy Marketing Exchange, Inc., filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/}, requesting blanket

—
authorization to import up to 50 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after April 10, 1993.^{2/} KCS, a New Jersey corporation with its

—
principal place of business in Houston, Texas, requests authority to import this gas under spot and short-term purchase arrangements either for its own account or as agent on behalf of Canadian sellers or U.S. purchasers. 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 KCS 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 is deemed to be consistent

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

2. This is the day KCS's current blanket import authorization

— expires. See DOE/ERA Opinion and Order No. 109 issued
February 6, 1986 (1 ERA 70,628).

with the public interest and must be granted without modification or delay. The authorization sought by KCS to import natural gas 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

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. KCS Energy Marketing, Inc. (KCS) is authorized to import from Canada, at any point on the international border, up to 50 Bcf of natural gas over a two-year term beginning on the date of first delivery after April 10, 1993.

B. Within two weeks after deliveries begin, KCS 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, KCS 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, KCS 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 11, 1993, until the end of the second calendar quarter, June 30, 1993.

Issued in Washington, D.C., on March 30, 1993.

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