

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

AIG TRADING CORPORATION

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FE DOCKET NO. 93-49-NG

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

DOE/FE ORDER NO. 805

MAY 17, 1993

I. DESCRIPTION OF REQUEST _____

On May 10, 1993, AIG Trading Corporation (AIG) 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 200 Bcf of natural gas from Canada and export up to 200 Bcf of natural gas to Canada, over a two-year term beginning on the date of first import or export delivery. AIG, a Delaware corporation with its headquarters in Greenwich, Connecticut, is a subsidiary of American International Group, Inc., a commodities trading corporation. AIG will import and export the natural gas under short-term and spot market transactions, either on its own behalf or as the agent for others. The requested authorization does not include the construction of new pipeline facilities.

II. FINDING _____

The application filed by AIG has been evaluated to determine if the proposed import and 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 (P.L. 102-486). Under section 3(c), the import and 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 AIG to import and export natural gas from and to Canada, a nation

^{1/} 15 U.S.C. 717b. _____

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 more than two years.

ORDER

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

A. AIG Trading Corporation (AIG) is authorized to import up to 200 Bcf of natural gas from Canada and export up to 200 Bcf of natural gas to Canada over a two-year period beginning on the date of first import or export delivery. This gas may be imported or exported at any point on the United States/Canada border.

B. Within two weeks after deliveries begin, AIG 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.

C. With respect to the natural gas imports/exports authorized by this Order, AIG 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, AIG must report

monthly total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of any import or 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. transporters; (5) the point(s) of entry or exit; (6) the geographic markets served; (7) whether the 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 Paragraph C of this Order is due not later than July 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter on June 30, 1993.

Issued in Washington, D.C., on May 17, 1993.

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