

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

CONOCO, INC.

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FE DOCKET NO. 93-72-NG

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ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT  
AND EXPORT NATURAL GAS FROM AND TO CANADA, AND TO  
IMPORT LIQUEFIED NATURAL GAS FROM ANY FOREIGN COUNTRY

DOE/FE ORDER NO. 824

JULY 29, 1993

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I. DESCRIPTION OF REQUEST

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On July 12, 1993, Conoco, Inc. (Conoco) filed a revised 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 natural gas from and export natural gas to Canada. In addition, Conoco requests blanket authorization to import liquefied natural gas (LNG) from any foreign country.<sup>2/</sup> Conoco is a Delaware corporation with an office in Houston, Texas. Conoco proposes to import and export up to a combined total of 50 Bcf of natural gas and LNG over a period of two years beginning on the date of the first delivery of either imports or exports after July 31, 1993. The volumes will be imported and exported by Conoco under spot and short-term purchase arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING

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The application filed by Conoco has been evaluated to determine if the proposed import/export 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

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

2/ Conoco's proposal in this proceeding would extend part of its existing blanket import and export authorization granted in DOE/FE Opinion and Order No. 524 (Order 524), which expires July 31, 1993. See 1 FE 70,427 (July 26, 1991). Earlier,

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Conoco applied in FE Docket No. 93-63-NG to extend its additional authority in Order 524 to import and export natural gas from and to Mexico, and to export LNG to any foreign country. That other authority also expires July 31, 1993.

3(c), the 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. This statutory public interest finding also applies to LNG imports (but not exports), regardless of whether the United States has a free trade agreement with the foreign country from which the LNG is to be imported.

The authorization sought by Conoco to import LNG, and 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, therefore, is consistent with the public interest.<sup>3/</sup> 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. Conoco, Inc. (Conoco) is authorized to import natural gas from and export natural gas to Canada, and to import liquefied natural gas (LNG) from any foreign country for a period of two years beginning on the date of the first delivery of either imports or exports after July 31, 1993. The maximum

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<sup>3/</sup> Since the United States does not yet have a free trade agreement with Mexico, and exports of LNG are not governed by NGA section 3(c), DOE is required to make a public interest finding before deciding on Conoco's application in docket 93-63-NG. A

notice of that filing was published in the Federal Register on

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July 21, 1993, with interventions and comments due by  
August 20, 1993 (58 F.R. 39011).

volume that may be imported and exported shall not exceed a combined total of 50 Bcf. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, Conoco 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, and of the date that the first import of LNG occurs.

C. With respect to the imports and exports authorized by this Order, Conoco 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 or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. 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, Conoco must report monthly total volumes of natural gas and LNG in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import and 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

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 October 30, 1993, and should cover the period from the date of this order until the end of the third calendar quarter, September 30, 1993.

Issued in Washington, D.C., on July 29, 1993.

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