

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DEVELOPMENT ASSOCIATES, INC.)
_____)

FE DOCKET NO. 93-71-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 829

AUGUST 3, 1993

I. DESCRIPTION OF REQUEST _____

On July 12, 1993, Development Associates, Inc. (DA), 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 48

— billion cubic feet of natural gas from Canada over a two-year term beginning on the date of first delivery. DA is a corporation organized in the State of Washington, with its principal place of business in Spokane, Washington, and is a wholly-owned subsidiary of Pentzer Energy Services Incorporated. DA acts as an agent to obtain natural gas supplies for several large industrial and institutional end-users, as well as local distribution companies. DA will import the gas under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by DA 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), an import 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 with the public interest and must be granted without modification or delay. The authorization sought by DA to import natural gas from Canada, a

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

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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. Development Associates, Inc. (DA) is authorized to import up to 48 billion cubic feet of natural gas from Canada, at any point on the United States/Canada border, over a two-year term beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, DA shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, DA 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. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, DA 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 point(s) of entry; (5) the name of the United States transporter(s); (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 ordering Paragraph C is due not later than October 30, 1993, and should cover the period from the date of this authorization until the end of the third calendar quarter, September 30, 1993.

Issued in Washington, D.C., on August 3, 1993.

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