

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TENNESSEE GAS PIPELINE COMPANY)
FE DOCKET NO. 93-89-NG)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 850

SEPTEMBER 30, 1993

I. DESCRIPTION OF REQUEST _____

On September 2, 1993, Tennessee Gas Pipeline Company (Tennessee) 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/} and DOE Delegation Order Nos. 0204-111 and

0204-127, requesting blanket authorization to import up to 200 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery. Tennessee is a Delaware corporation with its principal place of business in Houston, Texas.

Tennessee, a wholly-owned subsidiary of Tenneco, Inc., is a natural gas transmission company. Tennessee will import the gas under short-term and spot market transactions. Previously, Tennessee was granted blanket authorization to import natural gas from Canada in DOE/FE Opinion and Order No. 151 which expired September 27, 1993.^{2/} The requested authorization does not

involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Tennessee 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

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

2/ 1 ERA Para. 70,674 (November 6, 1986).

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modification or delay. The authorization sought by Tennessee 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. Tennessee Gas Pipeline Company (Tennessee) is authorized to import up to 200 Bcf 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, Tennessee 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, Tennessee 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, Tennessee 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 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 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 January 30, 1994, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1993.

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

Anthony J. Como
Director
Office of Coal and Electricity
Office of Fuels Programs
Office of Fossil Energy