

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
CANSTATES PETROLEUM MARKETING) FE DOCKET NO. 93-142-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 894

DECEMBER 17, 1993

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I. DESCRIPTION OF REQUEST _____

On December 17, 1993, CanStates Petroleum Marketing (CanStates) 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 natural gas from Canada. Up to 180 Bcf of gas would be imported over a two-year period beginning on the date of the first delivery.

CanStates is a partnership, formed under the laws of the State of Michigan, between Rankin Petroleum, Inc., and Polysar Hydrocarbons, Inc., both Michigan corporations, with its principal place of business in Port Huron, Michigan. CanStates will import the gas under short-term and spot market transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by CanStates 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. § 717b. _____

modification or delay. The authorization sought by CanStates 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. CanStates Petroleum Marketing (CanStates) is authorized to import, at any point on the international border, up to 180 Bcf of natural gas from Canada over a period of two years beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, CanStates shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, 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, CanStates 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, CanStates 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 Ordering 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 current calendar quarter, December 31, 1993.

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

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