

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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JMC FUEL SERVICES, INC. )  
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FE DOCKET NO. 93-129-NG

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

DOE/FE ORDER NO. 895

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DECEMBER 20, 1993

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I. DESCRIPTION OF REQUEST

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On November 19, 1993, JMC Fuel Services, Inc. (JMC Fuel) filed an 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> and DOE Delegation Order Nos. 0204-111 and

0204-127, requesting blanket authorization to import and export natural gas from and to Canada. JMC Fuel, a Delaware corporation, is a natural gas marketing company and a wholly-owned subsidiary of the Makowski Company, Inc. The principal office of Makowski Company, Inc. is in Boston, Massachusetts. The authorization requested would allow JMC Fuel to import and export up to a combined total of 62 Bcf of natural gas over a two-year term beginning on the date of first delivery of either imports or exports. JMC Fuel will import and export the gas under spot and short-term sales arrangements, either on its own behalf or as an agent for others. The requested authorization does not involve the construction of new pipeline facilities.

JMC Fuel is currently authorized to import up to 50 Bcf of Canadian natural gas over a two-year period expiring January 31, 1994.<sup>2/</sup> Also, JMC Fuel is currently authorized to export up to 12 Bcf of domestic natural gas to Canada for two years beginning on the date of the first delivery.<sup>3/</sup> Exports have not yet

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1/ 15 U.S.C. § 717b.

2/ JMC Fuel Services, Inc., DOE/FE Opinion and Order No. 491,

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1 FE □ 70,434 (March 28, 1991).

3/ JMC Fuel Services Inc., DOE/FE Opinion and Order No. 731,

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1 FE □ 70,704 (November 20, 1992).

commenced under this authorization. The proposed combined import and export authorization would replace these two separate authorizations.

## II. FINDING

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The application filed by JMC Fuel has been evaluated to determine if the proposed import/export 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), 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. The authorization sought by JMC Fuel to import and export natural gas from and to Canada, a nation with which there is in effect a free trade agreement, 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

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

A. JMC Fuel Services, Inc. (JMC Fuel) is authorized to import from and export to Canada up to a combined total of 62 Bcf of natural gas at any point on the border of the United States and Canada. This authorization shall extend for a period of two

years beginning on the date of the initial import or export, whichever occurs first.

B. Within two weeks after deliveries begin, JMC Fuel shall provide written notification to the Office of Fuels Programs (OFP), 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 or export of natural gas authorized in Ordering Paragraph A above occurred.

C. Effective with this Order, JMC Fuel's authority to import natural gas from and export natural gas to Canada pursuant to DOE/FE Opinion and Order Nos. 491 and 731, issued March 28, 1991, and November 20, 1992, respectively, is vacated in its entirety.

D. With respect to the natural gas imports and exports authorized by this Order, JMC Fuel 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. Quarterly reports must be filed whether or not deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, JMC Fuel must report total monthly volumes in Mcf and the average purchase price of gas 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 United States transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether 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.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1993, 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 December 20, 1993.

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