

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
UNION GAS LIMITED) FE DOCKET NOS. 94-102-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS,
INCLUDING LIQUEFIED NATURAL GAS,
FROM AND TO CANADA

DOE/FE ORDER NO. 1015

DECEMBER 21, 1994

I. DESCRIPTION OF REQUEST _____

On December 8, 1994, Union Gas Limited (Union) 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 1) import from Canada, for subsequent export to Canada, up to 100 Bcf of natural gas, including liquefied natural gas (LNG), and 2) export to Canada up to 100 Bcf of natural gas, including LNG, over a two-year term beginning on the date of first import or export after December 31, 1994.^{2/} Union, a Canadian corporation with its principal place of business in Chatham, Ontario, Canada, is a local gas distribution company engaged in the transmission, storage, and sale of natural gas. Union proposes to import and export gas either for its own account or as agent on behalf of others.

II. FINDING _____

The application filed by Union has been evaluated to determine if the proposed import and 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), an 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

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

2/ This is the date that Union's current blanket authorization to import and export natural gas, including LNG, from and to

Canada expires. See DOE/FE Opinion and Order No. 737 issued
November 25, 1992 (1 FE 70,710).

is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Union 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. 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. Union Gas Limited (Union) is authorized to import from Canada, up to 100 Bcf of natural gas, including liquefied natural gas (LNG), and to export to Canada up to 100 Bcf of natural gas, including LNG, over a two-year term beginning on the date of first import or export delivery after December 31, 1994. The natural gas or LNG may be imported/exported at any point on the United States/Canada border where existing facilities or LNG facilities are located.

B. Within two weeks after deliveries begin, Union 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 or export of natural gas or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Union shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports 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, Union must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports also shall 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 Ordering Paragraph C of this Order is due not later than April 30, 1995,

and should cover the period from January 1, 1995, until the end of the first calendar quarter, March 31, 1995.

Issued in Washington, D.C., on December 21, 1994.

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