

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DGS TRADING INC.)

FE DOCKET NO. 93-147-NG

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

DOE/FE ORDER NO. 904

JANUARY 3, 1994

I. DESCRIPTION OF REQUEST _____

On December 22, 1993, DGS Trading Inc. (DGS) 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 and export up to a combined total of 76 billion cubic feet of natural gas from and to Canada. The authorization would be for a two-year term beginning on the date of the first import or export. DGS, a Delaware corporation, with its principal place of business in Houston, Texas, purchases and resells natural gas in the spot market throughout the United States. DGS will import and export the gas under spot and short-term purchase arrangements, either on its own behalf or as an agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by DGS 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 DGS to import and export natural gas from and to Canada, a nation

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

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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. DGS Trading Inc. (DGS) is authorized to import and export up to a combined total of 76 billion cubic feet of natural gas from and to Canada over a two-year term beginning on the date of the first import or export. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, DGS 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 delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, DGS shall file with OFP, 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, DGS 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1994, and should cover the period from the date of this Order until the end of the current calendar quarter, March 31, 1994.

Issued in Washington, D.C., on January 3, 1994.

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