

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TALISMAN MARKETING (U.S.) INC.) FE DOCKET NO. 94-48-NG
_____)

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

DOE/FE ORDER NO. 960

JUNE 24, 1994

I. DESCRIPTION OF REQUEST

On June 20, 1994, Talisman Marketing (U.S.) Inc. (Talisman U.S.) 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, for blanket authorization to import and export a combined total of up to 60 Bcf of natural gas from and to Canada and Mexico. The authorization would be for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. Talisman U.S., a Canadian corporation with its principal place of business in Calgary, Alberta, is a wholly-owned subsidiary of Talisman Energy Inc. (Talisman Energy). Talisman U.S. is a marketer and transporter of hydrocarbon products, including natural gas. Talisman U.S. will import and export the gas under short-term and spot market transactions, on its own behalf and as an agent for others. No new pipeline construction would be involved.

Talisman U.S. also requests that two current blanket authorizations be rescinded. Specifically, in DOE/FE Opinion and Order No. 619 (Order 619)^{2/}, BP Resources Canada Limited (BP Canada) was authorized to import from Canada up to 36.5 Bcf of natural gas, over a two-year term expiring November 31, 1994. On January 1, 1993, BP Canada changed its name to Talisman Energy, which is the parent company of Talisman U.S. Additionally, in

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

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2/ BP Resources Canada Limited, FE Docket No. 90-49-NG, 1 FE

70,579 (May 19, 1992).

DOE/ERA Opinion and Order No. 267 (Order 267)3/, Encor Energy (America) Inc. (Encor America) was authorized to import from Canada up to 29.2 Bcf of natural gas over a two-year term beginning on the date of the first delivery. Deliveries have not begun under Encor America's authorization. On May 1, 1993, Encor Inc., the parent company of Encor America, was merged into Talisman Energy. Talisman U.S. asserts that upon approval of the instant application, it will assume responsibility for all of Talisman Energy's marketing activities in the U.S. Therefore, Talisman U.S. requests that this new authorization replace the current authorizations issued in Orders 619 and 267.

II. FINDING

The application filed by Talisman U.S. 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 importation or exportation 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 Talisman U.S. to import and export natural gas from and to Canada and Mexico, nations with which a free trade agreement is in effect, meets the section 3(c)

3/ Encor Energy (America) Inc., ERA Docket No. 88-34-NG, 1 ERA

70,806 (August 25, 1988).

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. Talisman Marketing (U.S.) Inc. (Talisman U.S.) is authorized to import and export a combined total of up to 60 Bcf of natural gas from and to Canada and Mexico over a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, Talisman U.S. 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, Talisman U.S. 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 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 occur, Talisman U.S. 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(s) of the U.S. 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 July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

E. The authorization to import natural gas granted to BP Resources Canada Limited pursuant to Ordering Paragraph H of DOE/FE Opinion and Order No. 619 (a consolidated eight-party order) is hereby vacated.

F. The authorization to import natural gas granted to Encor Energy (America) Inc. pursuant to DOE/ERA Opinion and Order No. 267 is hereby vacated.

Issued in Washington, D.C., on June 24, 1994.

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

