

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
WESTERN GAS MARKETING INC.) FE DOCKET NO. 94-69-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS

DOE/FE ORDER NO. 982

SEPTEMBER 30, 1994

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I. DESCRIPTION OF REQUEST

On September 14, 1994, Western Gas Marketing Inc. (WGM Inc.) 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 natural gas. Specifically, WGM Inc. requests authorization to import up to 600 Bcf of natural gas from Canada into the United States. In addition, WGM Inc. requests authorization to export a combined total of up to 150 Bcf of natural gas to Canada and Mexico. The exports to Mexico may be domestic gas or gas that was previously imported from Canada. The term of the proposed import and export authorization would be for two years beginning on the date of the first delivery after October 31, 1994.2/

WGM Inc., a Delaware corporation with its principal place of business in Calgary, Alberta, is a natural gas marketing company. It is a wholly-owned subsidiary of TransCanada PipeLines Limited, a Canadian natural gas transmission company. This gas would be imported and exported by WGM Inc. under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

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

2/ This is the date WGM Inc.'s current blanket authorization to

import and export natural gas expires. See DOE/FE Opinion and
Order No. 689 issued October 22, 1992 (1 FE 70,646).

II. FINDING

The application filed by WGM Inc. 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 is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by WGM Inc. to import and export natural gas from and to Canada, and to export natural gas to Mexico, nations 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. Western Gas Marketing Inc. (WGM Inc.) is authorized to import up to 600 Bcf of natural gas from Canada. In addition, WGM Inc. is authorized to export a combined total of up to 150 Bcf of natural gas to Canada and Mexico. This authorization to import and export natural gas is for a period of two years beginning on the date of the initial import or export, whichever

occurs first, after October 31, 1994. These transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, WGM Inc. 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 authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, WGM Inc. 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 occur, WGM Inc. 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 January 30, 1995, and should cover the period from November 1, 1994, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on September 30, 1994.

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