

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
WESTCOAST GAS SERVICES INC.) FE DOCKET NO. 94-67-NG
_____)

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

DOE/FE ORDER NO. 984

OCTOBER 4, 1994

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I. DESCRIPTION OF REQUEST

On September 12, 1994, as supplemented on October 3, 1994, Westcoast Gas Services Inc. (WGSI) (formerly Unigas Corporation) 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 up to 1,000 Bcf and to export up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico. The term of the authorization would be for a period of two years beginning on the date of first delivery after December 18, 1994.^{2/} WGSI, a wholly-owned subsidiary of Westcoast Energy Inc., is a Canadian federal corporation with its principal place of business in Calgary, Alberta. WGSI is a natural gas marketer whose customers include gas distribution companies, electric utility companies, industrial end-users and cogeneration facilities. The requested authorization would allow WGSI to import and export this gas and LNG under spot and short-term sales arrangements. The construction of new pipeline or LNG facilities would not be involved.

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

2/ This is the expiration date of WGSI's current blanket authorization to import and export natural gas and LNG, granted by DOE/FE Opinion and Order No. 627 on June 5, 1992 (1 FE 70,563), as amended by DOE/FE Order No. 627-A, issued on April 13, 1994 (1 FE 70,949), which reflects Unigas Corporation's name change to WGSI.

II. FINDING

The application filed by WGSII 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 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 WGSII to import and export natural gas and LNG from and to Canada and 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. Westcoast Gas Services Inc. (WGSII) is authorized to import up to 1,000 Bcf and to export up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico, over a two-year term beginning on the date of first import or export delivery after December 18, 1994. This natural

gas and LNG may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, WGSII 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 or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas and LNG imports and exports authorized by this Order, WGSII shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas or LNG have been made. 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, WGSII 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 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 January 30, 1995, and should cover the period from December 19, 1994, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on October 4, 1994.

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