

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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WESTERN GAS SERVICES (AMERICA) INC.)	FE DOCKET NOS.	94-84-NG
(formerly Canadian Hydrocarbons)		92-155-NG
Marketing (U.S.) Inc.))		90-77-NG
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ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS
AND VACATING AUTHORIZATIONS

DOE/FE ORDER NO. 997

OCTOBER 31, 1994

I. DESCRIPTION OF REQUEST

On October 11, 1994, as supplemented on October 19, 1994, Western Gas Services (America) Inc. (WGSI-America) 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.2/

Specifically, WGSI-America requests authorization to import up to 1,000 Bcf and to export up to 1,000 Bcf of natural gas from and to Canada and Mexico. The exports to Canada and Mexico may be domestic gas or gas that was previously imported from Canada. The term of the proposed authorization would be for two years beginning on the date of the initial import or export, whichever occurs first. WGSI-America, 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 Westcoast Services Inc., which in turn is wholly-owned by Westcoast Energy Inc. The requested authorization does not involve the construction of new pipeline facilities.

WGSI-America also requests that DOE rescind two previous blanket authorizations to import and export natural gas from and to Canada granted to WGSI's predecessor, Canadian Hydrocarbons

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

2/ WGSI-America was formerly named Canadian Hydrocarbons Marketing (U.S) Inc. (Canadian Hydrocarbons). The company changed its name from Canadian Hydrocarbons effective August 10, 1994. Canadian Hydrocarbons' predecessor was ICG Energy

Marketing, Inc.

Marketing (U.S.) Inc.^{3/} These authorizations will expire within the next five months and they are no longer needed as a result of the expanded import/export authority conferred to WGSI-America in this proceeding.

II. FINDING

The application filed by WGSI-America 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 WGSI-America 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) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

^{3/} See Canadian Hydrocarbons Marketing (U.S.) Inc, DOE/FE Opinion and Order No. 755, 1 FE 70,732 (December 18, 1992); ICG Energy Marketing, Inc., DOE/FE Opinion and Order No. 455 (Order 455), 1 FE 70,384 (November 23, 1990); and ICG Energy

Marketing, Inc. and Canadian Hydrocarbons Marketing (U.S.) Inc.,

DOE/FE Opinion and Order No. 468 (Order 468), 1 FE 70,399
(December 28, 1990). Order 468 transferred the blanket export
authority granted by Order 455 from ICG Energy Marketing, Inc. to
its successor, Canadian Hydrocarbons Marketing (U.S.) Inc.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Western Gas Services (America) Inc. (WGSI-America) is authorized to import up to 1,000 Bcf and to export up to 1,000 Bcf of natural gas from and to Canada and Mexico. This authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first. The natural gas may be imported and exported at any United States border point.

B. The authority granted to the predecessor of WGSI-America, Canadian Hydrocarbons Marketing (U.S.) Inc., to import natural gas from Canada under DOE/FE Opinion and Order No. 755 (FE Docket No. 92-155-NG) and to export natural gas to Canada under DOE/FE Opinion and Order Nos. 455 and 468 (FE Docket No. 90-77-NG) is hereby vacated.

C. Within two weeks after deliveries begin, WGSI-America 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.

D. With respect to the natural gas imports and exports authorized by this Order, WGSI-America 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, WGSII-America 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.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1995, and should cover the period from the date of this authorization, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on October 31, 1994.

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