

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PETRO-CANADA HYDROCARBONS INC.)) FE DOCKET NO. 95-12-NG
_____))

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1030

FEBRUARY 28, 1995

I. DESCRIPTION OF REQUEST _____

On February 13, 1995, Petro-Canada Hydrocarbons Inc. (Petro-Canada) 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 150 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on the date of the first delivery after March 3, 1995.^{2/} Petro-Canada, a corporation organized and existing under the State of Delaware, with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Petro-Canada, Inc., which is a fully integrated company engaged in all aspects of exploration for and the production, refining, transportation, and marketing of oil, natural gas and other hydrocarbons and minerals and their products. Petro-Canada will import the natural gas under spot and short-term purchase arrangements, either on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Petro-Canada has been evaluated to determine if the proposed import 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).

^{1/} 15 U.S.C. 717b. _____

2/ This is the date Petro-Canada's current blanket authorization
to import natural gas from Canada expires. See DOE/FE Opinion
and Order No. 696 issued October 23, 1992 (1 FE 70,653).

Under section 3(c), the import 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 Petro-Canada to import natural gas from Canada, a nation 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. Petro-Canada Hydrocarbons Inc. (Petro-Canada) is authorized to import up to 150 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after March 3, 1995. This natural gas may be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Petro-Canada 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Petro-Canada shall file with OFP, within 30 days

following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Petro-Canada 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 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; (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, 1995, and should cover the period from March 4, 1995, until the end of the first calendar quarter, March 31, 1995.

Issued in Washington, D.C., on February 28, 1995.

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