

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
KCS ENERGY MARKETING, INC.) FE DOCKET NO. 95-20-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1039

APRIL 7, 1995

I. DESCRIPTION OF REQUEST _____

On March 24, 1995, as supplemented April 5, 1995, KCS Energy Marketing, Inc. (KCS) 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 50 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after April 10, 1995.^{2/} KCS

is a New Jersey corporation with its principal place of business in Houston, Texas. KCS will import the natural gas under spot and short-term purchase arrangements as a buyer reseller or as an agent on behalf of end-users. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by KCS 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). 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 KCS to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the

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

2/ This is the date KCS' blanket authorization to import natural
gas from Canada expires. See DOE/FE opinion and Order No. 790
issued March 30, 1993 (FE 70,780).

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. KCS Energy Marketing, Inc. (KCS) is authorized to import up to 50 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after April 10, 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, KCS 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, KCS 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, KCS 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 July 30, 1995, and should cover the period from April 11, 1995, until the end of the second calendar quarter, June 30, 1995.

Issued in Washington, D.C., on April 7, 1995.

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