

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CONOCO INC.

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FE DOCKET NO. 95-57-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA
AND MEXICO AND VACATING AUTHORIZATION

DOE/FE ORDER NO. 1077

AUGUST 14, 1995

I. DESCRIPTION OF REQUEST

On August 10, 1995, Conoco Inc. (Conoco) 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 from and to Canada and Mexico. Conoco, a Delaware corporation with an office in Houston, Texas, proposes to import and export up to a combined total of 100 Bcf of gas. The term of the authorization would be for a period of two years beginning on the date of the first delivery of either imports or exports after August 26, 1995. This gas would be imported and exported under short-term and spot market transactions either on Conoco's own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

Conoco also seeks to terminate a previous authorization granting Conoco authority to import and export natural gas from and to Canada, and to import liquefied natural gas (LNG) from any foreign country. Currently, Conoco holds blanket authorization under DOE/FE Opinion and Order No. 838 (Order 838) to import and export natural gas from and to Mexico, and to export LNG to any foreign country.^{2/} Deliveries to Mexico began on August 27, 1993, and the two-year term, therefore, expires August 26, 1995. In addition, Conoco received authorization under DOE/FE Opinion

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

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2/ 1 FE 70,839 (August 27, 1993).

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and Order No. 824 (Order 824) to import and export natural gas from and to Canada, and to import LNG from any foreign country.^{3/} Neither imports nor exports have begun under Order

824. Conoco asserts that the new import and export authority conferred in this proceeding will combine the authorizations issued in Orders 838 and 824 into a single license which would simplify Conoco's future reporting requirements to DOE. As a result of approval of the instant application, Conoco requests that DOE vacate Order 824, which has not yet been activated, because this authorization would no longer be needed.

II. FINDING

The application filed by Conoco 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 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 Conoco 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

3/ 1 FE 70,822 (July 29, 1993).

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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. Conoco Inc. (Conoco) is authorized to import and to export a combined total of up to 100 Bcf of natural gas from and to Canada and Mexico. The term of this authorization is for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first, after August 26, 1995. This natural gas may be imported and exported at any United States border point.

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

C. With respect to the imports and exports authorized by this Order, Conoco shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas 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, Conoco must report the following: (1) total

monthly volumes in Mcf; (2) the average monthly price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U.S. transporter(s); (7) the point(s) of entry or exit; and (8) the geographic market(s) served (for imports, by state). For import transactions only, the reports also shall include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 October 30, 1995, and should cover the period from August 27, 1995, until the end of the third calendar quarter, September 30, 1995.

E. Conoco's authorization to import and export natural gas pursuant to DOE/FE Opinion and Order No. 824, issued July 29, 1993, is hereby vacated effective August 27, 1995.

Issued in Washington, D.C., on August 14, 1995.

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

