

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PARAMOUNT RESOURCES U.S. INC.) FE DOCKET NO. 95-68-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1081

SEPTEMBER 18, 1995

I. DESCRIPTION OF REQUEST _____

On September 6, 1995, as supplemented September 8, 1995, Paramount Resources U.S. Inc. (Paramount) 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 300 Bcf of natural gas from Canada. The term of the authorization would be for a period of two years beginning on the date of the first import delivery after October 31, 1995.^{2/} Paramount is a U.S. corporation, incorporated in the State of Delaware, with its principal place of business in Calgary, Alberta, Canada. It is a wholly-owned subsidiary of Paramount Resources Ltd., a Canadian producer of natural gas. Paramount explores for, produces, transports, and markets natural gas. Paramount would import this gas under short-term and spot market transactions and sell it to a variety of U.S. customers in the Pacific Northwest, California, and the Midwest. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Paramount has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by

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

2/ This is the day Paramount's current blanket authorization to

import natural gas from Canada expires. See DOE/FE Opinion and
Order No. 160, issued December 29, 1986 (1 ERA 70,685).

section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the importation 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 Paramount 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. Paramount Resources U.S. Inc. (Paramount) is authorized to import from Canada, at any point on the international border, up to 300 Bcf of natural gas over a two-year term beginning on the date of the first delivery after October 31, 1995.

B. Within two weeks after deliveries begin, Paramount 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 delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the imports authorized by this Order, Paramount 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Paramount 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 U.S. 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 January 30, 1996, and should cover the period from November 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on September 18, 1995.

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