

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
WILLIAMS ENERGY SYSTEMS COMPANY) FE DOCKET NO. 95-80-NG
_____)

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

DOE/FE ORDER NO. 1093

OCTOBER 17, 1995

I. DESCRIPTION OF REQUEST _____

On September 28, 1995, as supplemented on October 5, 1995, Williams Energy Systems Company (WES) 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 730 billion cubic feet (Bcf) of natural gas from Canada and to export up to 730 Bcf of natural gas to Canada over a two-year term beginning on the date of the first delivery. WES, a Delaware corporation with its principal place of business in Tulsa, Oklahoma, is a subsidiary of Williams Energy Services Company, which in turn is a subsidiary of Williams Holdings of Delaware, which in turn is a subsidiary of The Williams Companies, Inc. WES will import and export the natural gas under short-term and spot market arrangements, either on its own behalf or on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by WES 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), the import and export of natural gas from or to a nation with which there is in effect a free trade agreement

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

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 WES to import and export natural gas from and to 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. William Energy Systems Company (WES) is authorized to import up to 730 Bcf of natural gas from Canada and export up to 730 Bcf of natural gas to Canada over a two-year term beginning on the date of the first delivery. This natural gas may be imported or exported at any point on the border of the United States and Canada.

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

C. With respect to the natural gas imports and exports authorized by this Order, WES 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, WES must report the following: (1) total monthly volumes in Mcf; (2) the average purchase 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 United States transporter(s); (7) the point(s) of entry; and (8) the geographic market(s) served (for imports by State). For import transactions only, the report shall also 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 January 30, 1996, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on October 17, 1995.

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