

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PETRO-CANADA HYDROCARBONS INC.)
_____)

FE DOCKET NO. 95-89-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 1116

NOVEMBER 7, 1995

I. DESCRIPTION OF REQUEST _____

On October 17, 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, requesting blanket authorization to export natural gas to Canada. Up to a total of 150 Bcf of domestic gas would be exported over a two-year period beginning on the date of first delivery after November 30, 1995.^{2/} Petro-Canada, a Delaware

corporation, with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Petro-Canada, a Canadian company engaged in the exploration, production, refining, transportation and marketing of oil, natural gas, and other hydrocarbons and materials. The requested 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 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 export of natural gas 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

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

2. This is the expiration date of Petro-Canada's existing blanket export authorization granted by DOE/FE Opinion and Order

No. 783 dated March 12, 1993 (1 FE 70,772).

consistent with the public interest and must be granted without modification or delay. The authorization sought by Petro-Canada to export natural gas 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. Petro-Canada Hydrocarbons Inc. (Petro-Canada) is authorized to export, at any point on the U.S.-Canada border, up to 150 Bcf of natural gas to Canada over a period of two years beginning on the date of the first delivery after November 30, 1995.

B. Within two weeks after deliveries begin, Petro-Canada shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports authorized by this Order, Petro-Canada shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not

initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Petro-Canada must report monthly total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each export 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 exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis.

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 December 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

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

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