

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
CANSTATES MARKETING (U.S.) LTD.) FE DOCKET NO. 96-01-NG
_____)

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

DOE/FE ORDER NO. 1143

JANUARY 24, 1996

I. DESCRIPTION OF REQUEST _____

On January 19, 1996, CanStates Marketing (U.S.) Ltd. (CanStates) 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 180 Bcf of natural gas from Canada and to export up to 180 Bcf of natural gas to Canada over a two-year term beginning on April 15,

1996. 2/ CanStates, a Delaware corporation, is a marketer of

natural gas and a wholly-owned indirect subsidiary of Alberta Natural Gas Company Ltd. CanStates will import and sell this gas under short-term and spot market transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by CanStates 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

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

2. CanStates' existing blanket import authorization granted by

DOE/FE Opinion and Order No. 924, dated March 4, 1994, (1 FE
70,941) expires April 14, 1996.

sought by CanStates 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. CanStates Marketing (U.S.) Ltd. (CanStates) is authorized to import up to 180 Bcf of natural gas from Canada and to export up to 180 Bcf of natural gas to Canada over a two-year term beginning on the date of first import or export delivery after April 14, 1996. This natural gas may be imported and exported at any U.S./Canada border point.

B. Within two weeks after deliveries begin, CanStates 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 natural gas imports and exports authorized by this Order, CanStates 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, CanStates must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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 exit; 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 July 30, 1996, and should cover the period from April 15, 1996, until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on January 24, 1996.

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