

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ARCO PRODUCTS COMPANY, DIVISION) FE DOCKET NO. 96-41-NG
OF ATLANTIC RICHFIELD COMPANY)
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1187

JULY 22, 1996

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I. DESCRIPTION OF REQUEST _____

On June 25, 1996, ARCO Products Company, Division of Atlantic Richfield Company (ARCO Products), 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 up to 25 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after September 19, 1996.^{2/} Atlantic Richfield Company is a

Delaware corporation and a refiner and marketer of petroleum products. ARCO Products, with its principal place of business in Los Angeles, California, is one of Atlantic Richfield Company's unincorporated divisions that operates an oil refinery owned by Atlantic Richfield Company in Blaine, Washington. The refinery is solely dependent on gas from Canada for fuel because no means exists to obtain supplies from domestic sources. This Canadian gas would enter the United States at Sumas, Washington, and would be transported by the Ferndale Pipeline System to the refinery. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by ARCO Products has been evaluated to determine if the proposed import arrangement meets the public

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

2. This is the expiration date of ARCO Products' current blanket import authorization granted by DOE/FE Order No. 949 dated

May 16, 1994 (1 FE 70,972).

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), an import 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 ARCO Products 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. ARCO Products Company, Division of Atlantic Richfield Company (ARCO Products), is authorized to import up to 25 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after September 19, 1996. This natural gas may be imported at any point on the border of the United States and Canada.

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

C. With respect to the imports authorized by this Order, ARCO Products shall file with the Office of Fuels Programs, 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 have occurred, ARCO Products must report total monthly volumes in Mcf and the average purchase price 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 point(s) of entry; (5) the name of the United States transporter(s); (6) the geographic market(s) served; (7) whether the 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 October 30, 1996,

and should cover the period from September 20, 1996, until the end of the third calendar quarter, September 30, 1996

Issued in Washington, D.C., on July 22, 1996.

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