

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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AEC WEST LTD. )  
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FE DOCKET NO. 96-49-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS  
FROM CANADA

DOE/FE ORDER NO. 1191

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JULY 26, 1996  
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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On July 15, 1996, AEC West Ltd. (AEC West) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 204-127, for blanket authorization to import up to 200 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery. AEC West is a Canadian corporation with its principal place of business in Calgary, Canada. AEC West will import the gas under short-term transactions which will reflect current market conditions on behalf of U.S. purchasers. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by AEC West has been evaluated to determine if the proposed import 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 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 AEC West to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and,

1/ 15 U.S.C. 717b. \_\_\_\_\_

therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. AEC West Ltd. (AEC West) is authorized to import up to 200 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery. 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, AEC West 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, AEC West 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, AEC West 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 United States 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 October 30, 1996, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 30, 1996.

Issued in Washington, D.C., on July 26, 1996.

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