

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
UNION GAS LIMITED) FE DOCKET NO. 96-76-NG
_____)

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

DOE/FE ORDER NO. 1214

OCTOBER 31, 1996

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I. DESCRIPTION OF REQUEST

On October 28, 1996, Union Gas Limited (Union) 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 authorization to import and export up to a combined total of 200 Bcf of natural gas from and to Canada for a two-year term beginning on the date of first delivery after December 31, 1996.^{2/} Union is a Canadian corporation with its principal place of business in Chatham, Ontario, Canada. Union is engaged in the short-term import of Canadian natural gas to the United States and the export of United States natural gas to Canada, including the import of gas into one of these countries for further transportation and/or storage followed by the export back into the country of origin for consumption. Union will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

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

2/ This is the date that Union's current authorization, granted by DOE/FE Order No. 1015 on December 21, 1994, (1 FE 71,069) expires.

II. FINDING

The application filed by Union 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 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 sought by Union to import and export natural gas from and to Canada a nation with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transaction 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. Union Gas Limited (Union) is authorized to import up to a combined total of 200 Bcf of natural gas from and to Canada at any point on the borders of the United States and Canada over a two-year term beginning on the date of first import or export delivery after December 31, 1996.

B. Within two weeks after deliveries begin, Union 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, Union 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, Union 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 April 30, 1997, and should cover the period from January 1, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on October 31, 1996.

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