

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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KOCH ENERGY TRADING, INC.)	FE DOCKET NO. 96-79-NG
(Formerly)	
Koch Gas Services Company))	
)	

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1219

OCTOBER 31, 1996

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I. DESCRIPTION OF REQUEST _____

On October 31, 1996, Koch Energy Trading, Inc. (KET), formerly Koch Gas Services Company, 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 73 Bcf of natural gas from Canada. The term of the authorization would be for two years beginning on the date of the first delivery after November 2, 1996.^{2/} KET,

a Kansas corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Koch Industries, Inc. Koch will import the gas under spot and short-term purchase arrangements. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by KET 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 importation 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 KET to import natural gas

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

2/ This is the expiration date of KET's existing blanket import
— authorization granted by DOE/FE Order No. 983 dated September 30,
1994 (1 FE Para.71,026).

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. Koch Energy Trading, Inc. (KET) is authorized to import from Canada, at any point on the international border, up to 73 Bcf of natural gas over a two-year term beginning on the date of first delivery after November 2, 1996.

B. Within two weeks after deliveries begin, KET 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 natural gas imports authorized by this Order, KET 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 occur, KET 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 name of the U.S. 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 January 30, 1997, and should cover the period from November 3, 1996, until the end of the fourth calendar quarter, December 31, 1996.

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