

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

UNITED STATES GYPSUM COMPANY)
_____) FE DOCKET NO. 96-73-NG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1220

OCTOBER 31, 1996

I. DESCRIPTION OF REQUEST

On October 23, 1996, United States Gypsum Company (U.S. Gypsum) filed an application with the Office of Fossil Energy (FE) 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 authorization to import from Canada up to 13,500 MMBtu per day of natural gas on a long-term basis, from November 1, 1997, through November 1, 2007. U.S. Gypsum is a corporation under the laws of the State of Delaware with its principal place of business in Chicago, Illinois.

Pursuant to the terms of a natural gas purchase agreement dated August 1, 1996, between U.S. Gypsum and Renaissance Energy Ltd. (Renaissance), U.S. Gypsum will purchase the natural gas at a price which is to be adjusted monthly based on a spot market price reference published in the Canadian Natural Gas Market

Report. U.S. Gypsum states that the imported natural gas will enter the United States at the interconnection of TransCanada PipeLines Ltd. and Great Lakes Gas Transmission Limited Partnership at Emerson, Manitoba, (Noyes, Minnesota) to be used in its industrial facilities' and its affiliates. Depending upon the facilities needs, U.S. Gypsum will sell the natural gas to others where U.S. transportation arrangements can be made.

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

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II. FINDING

The application filed by U.S. Gypsum 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 U.S. Gypsum 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.

ORDER

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

A. United States Gypsum Company (U.S. Gypsum) is authorized to import from Canada up to 13,500 Mcf per day of natural gas from November 1, 1997, through November 1, 2007, under the terms and conditions of the gas purchase and sales agreement dated August 1, 1996, between U.S. Gypsum and Renaissance Energy Ltd. (Renaissance). This natural gas may be imported at the interconnect of TransCanada PipeLines Ltd. and Great Lakes Gas Transmission Limited Partnership at the international border at Emerson, Manitoba, (Noyes, Minnesota) or other border points.

B. With respect to the natural gas imports authorized by this Order, U.S. Gypsum shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this Order. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, U.S. Gypsum must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border and paid to Renaissance . The monthly price information shall itemize separately the monthly demand and commodity charges, and, if applicable, deficiency charges. U.S. Gypsum also shall provide a breakdown of the import volumes delivered to its facilities by State.

For any imported volumes sold to third parties, U.S. Gypsum shall report: (1) the name of the purchaser(s); (2) the estimated or actual duration of the agreement(s); (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) the geographic market(s) served; and (6) whether sales are being made on an interruptible or firm basis.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1998, and should cover the period from November 1, 1997, through the end of the fourth calendar quarter, December 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