

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

NOV 29 1996 P 2:35

REC'D DOE/FE

EASTERN ENERGY MARKETING, INC.)

FE DOCKET NO. 96-80-NG

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

DOE/FE ORDER NO. 1224

NOVEMBER 29, 1996

I. DESCRIPTION OF REQUEST

On November 4, 1996, as supplemented on November 7, 1996, Eastern Energy Marketing, Inc. (Eastern) 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 110 Bcf of natural gas from and to Canada for a two-year term beginning on the date of first delivery after December 7, 1996.^{2/} Eastern, a Virginia corporation with its principal place of business in Alexandria, Virginia, is a wholly-owned natural gas marketing subsidiary of The Eastern Group. Eastern 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.

II. FINDING

The application filed by Eastern 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

^{1/} 15 U.S.C. § 717b.

^{2/} Eastern's current authorization, granted by DOE/FE Order Nos. 918 and 918-A on January 31, 1994, and April 7, 1995, (1 FE ¶ 70,931 and 71,099) expires December 7, 1996.

gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Eastern to import and export natural gas from and to 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 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. Eastern Energy Marketing, Inc. (Eastern) is authorized to import and export up to a combined total of 110 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 7, 1996.

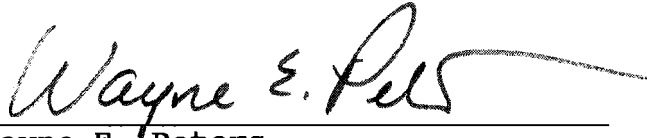
B. Within two weeks after deliveries begin, Eastern shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above has occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Eastern shall file with the Office of Natural Gas & Petroleum Import and Export Activities, 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, Eastern 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 U. S. 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 January 30, 1997,

and should cover the period from December 8, 1996, until the end of the fourth calendar quarter, December 31, 1996.

Issued in Washington, D.C., on November 29, 1996.

A handwritten signature in cursive script that reads "Wayne E. Peters". The signature is written in black ink and has a long, sweeping horizontal line extending to the right from the end of the name.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy