

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
CANADIANOXY MARKETING (U.S.A.) INC.) FE DOCKET NO. 97-06-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1240

JANUARY 28, 1997

I. DESCRIPTION OF REQUEST _____

On January 17, 1997, CanadianOxy Marketing (U.S.A.) Inc. (CanadianOxy) 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 204-127, for blanket authorization to import up to 100 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after January 31, 1997.^{2/} CanadianOxy is a corporation organized and existing under the laws of Delaware and a wholly-owned subsidiary of CanadianOxy Holdings Inc., which in turn is wholly-owned subsidiary of Canadian Occidental Petroleum Ltd. CanadianOxy will import the gas under short-term and spot market transactions for sale to a wide range of markets including, but not limited to, local distribution companies and industrial and commercial end-users. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by CanadianOxy 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

1/ 15 U.S.C. 717b. —

2/ CanadianOxy's current authorization, granted by DOE/FE Order

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Nos. 719 and 719-A on December 13, 1992, and August 17, 1995,
(1 FE 70,676 and 71,152) expires January 31, 1997.

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 CanadianOxy 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. 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. CanadianOxy Marketing (U.S.A.) Inc. (CanadianOxy) is authorized to import up to 100 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after January 31, 1997. 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, CanadianOxy 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, CanadianOxy 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, CanadianOxy 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 April 30, 1997, and should cover the period from February 1, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on January 28, 1997.

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