

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SONAT MARKETING COMPANY L.P.)
(Formerly Sonat Marketing)
Company)
_____)

FE DOCKET NO. 97-11-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1250

FEBRUARY 12, 1997

I. DESCRIPTION OF REQUEST

On January 30, 1997, Sonat Marketing Company L.P. (SMC), formerly Sonat Marketing 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, for blanket authorization to import from Canada up to 100 Bcf of natural gas. The term of the authorization would be over a period of two years beginning on the date of first delivery after April 30, 1997.^{2/} SMC, is a Delaware limited partnership with its principal place of business in Birmingham, Alabama. SMC is a marketer of natural gas and is an indirect subsidiary of Sonat, Inc. SMC would import the gas under spot and short-term sales arrangements, either on its own behalf or as an agent for others. The construction of new pipeline facilities would not be involved.

II. FINDING

The application filed by SMC 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

/ 15 U.S.C. § 717b.

/ This is the expiration date of SMC's existing blanket import authorization granted by DOE Order No. 821 issued July 14, 1993 (1 FE ¶ 70,819). In DOE/FE Order No. 1079, the authorization was amended to substitute Sonat Marketing Company L.P. for Sonat Marketing Company (1 FE ¶ 71,154, September 6, 1995).

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 SMC 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. Sonat Marketing Company L.P. (SMC) is authorized to import from Canada up to 100 Bcf of natural gas, over a period of two years, beginning on the date of the initial import delivery after April 30, 1997. This natural gas may be imported at any point on the U.S./Canada border.

B. Within two weeks after deliveries begin, SMC 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, SMC 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 of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, SMC 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 U.S. transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served (by State); (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 July 30, 1997, and should cover the period from May 1, 1997, until the end of the second calendar quarter, June 30, 1997.

Issued in Washington, D.C., on February 12, 1997.

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