

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

KCS ENERGY MARKETING, INC.)
_____)

FE DOCKET NO. 97-22-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1261

MARCH 13, 1997

I. DESCRIPTION OF REQUEST

On March 3, 1997, KCS Energy Marketing, Inc. (KCS) 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 50 Bcf of natural gas from Canada over a two year term beginning on the date of the first delivery after April 10, 1997.^{2/} KCS is a New Jersey corporation with its principal place of business in Edison, New Jersey. KCS will import the gas under spot and short-term purchase arrangements for its own account or as an agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by KCS 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

1. 15 U.S.C. § 717b.

². This is the expiration date of KCS's existing blanket import authorization granted by DOE/FE Order No. 1039 dated April 7, 1995, (1 FE ¶ 71,100).

sought by KCS 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. KCS Energy Marketing, Inc. (KCS) is authorized to import from Canada, at any point on the U.S./Canada border, up to 50 Bcf of natural gas over a two-year term beginning on the date of first delivery after April 10, 1997.

B. Within two weeks after deliveries begin, KCS 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, KCS 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. 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, KCS 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 (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 April 11, 1997 until the end of the second calendar quarter, June 30, 1997.

Issued in Washington, D.C., on March 13, 1997.

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