

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

COLONIAL ENERGY, INC.)
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FE DOCKET NO. 97-25-

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

DOE/FE ORDER NO. 1262

MARCH 14, 1997

I. DESCRIPTION OF REQUEST

On March 7, 1997, Colonial Energy, Inc. (Colonial) 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, for blanket authorization to import and export up to a combined total of 200 Bcf of natural gas from and to Canada and Mexico. The term of the authorization would be for two years beginning on the date of issuance of an order by the DOE/OFE in this docket. Colonial, a subsidiary of the Colonial Group, is a Delaware corporation with its principal place of business in Fairfax, Virginia. Colonial will import and export gas under short-term and spot market transactions on its own behalf and as an agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Colonial has been evaluated to determine if the proposed import/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

1. 15 U.S.C. § 717b.

in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Colonial to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are 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. Colonial Energy Inc. (Colonial) is authorized to import and export up to a combined total of 200 Bcf of natural gas from and to Canada and Mexico. The term of this authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first.

The natural gas may be imported and exported at any United States border point.

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

C. With respect to the natural gas imports and exports authorized by this Order, Colonial 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, Colonial 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 United States 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 April 30, 1997, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on March 14, 1997.

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