

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
CRESTAR ENERGY MARKETING CORP.) FE DOCKET NO. 97-38-NG
_____)

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

DOE/FE ORDER NO. 1278

JUNE 10, 1997

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I. DESCRIPTION OF REQUEST _____

On May 9, 1997, Crestar Energy Marketing Corp. (Crestar) 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 and export up to a combined total of 50 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on the date of the first import or export after July 12, 1997.^{2/} Crestar is a Delaware corporation, with its principal place of business is in Calgary, Alberta. Crestar is a wholly-owned subsidiary of Crestar Energy Inc. and is engaged in the purchase and sale of oil and gas in the United States of America. Crestar will import and export the natural gas under spot and short-term purchase arrangements, as a broker or agent on behalf of the U.S. and Canadian suppliers and/or foreign purchasers. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Crestar 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.

1/ 15 U.S.C. 717b. _____

2/ This is the date Crestar Energy Marketing Corp.'s blanket authorization to import and export natural gas from and to Canada

expires. See DOE/FE Order No. 1059 issued June 13, 1995

(1 FE 71,128).

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 gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Crestar 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 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. Crestar Energy Marketing Corp. (Crestar) is authorized to import and export up to a combined total of 50 Bcf of natural gas from and to Canada over a two-year term beginning on the date of the first import or export after July 12, 1997. This natural gas may be imported or exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Crestar shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, 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, Crestar shall file with 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, Crestar must report the following: (1) total monthly volumes in Mcf; (2) the average 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 or exit; (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 October 30, 1997, and should cover the period from July 13, 1997, until the end of the third calendar quarter, September 30, 1997.

Issued in Washington, D.C., on June 10, 1997.

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