

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

UNITED STATES GYPSUM COMPANY

FE DOCKET NO. 97-93-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1324

OCTOBER 31, 1997

I. DESCRIPTION OF REQUEST

On October 29, 1997, United States Gypsum Company (U.S. Gypsum) 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 up to 3,650,000 MMBtu⁽²⁾ of natural gas annually from Canada over a two-year term beginning November 1, 1997. U.S. Gypsum's principal place of business is in Chicago, Illinois. The firm is a manufacturer of wallboard and other products with plants located in more than 20 states. U.S. Gypsum would import the natural gas under spot and short-term purchase arrangements for use in the manufacturing process at its industrial facilities and those of its affiliates. In addition, U.S. Gypsum would sell this gas to others during periods when the gas is not needed in or deliverable to the manufacturing facilities of U.S. Gypsum or its affiliates. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by U.S. Gypsum 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 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 U.S. Gypsum 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. Consistent with our treatment of similar blanket applications and in order to maximize flexibility, there will be no restriction on the annual volumes that may be imported.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. U.S. Gypsum Company (U.S. Gypsum) is authorized to import up to 7,300,000 MMBtu (approximately 7.3 billion cubic feet) of natural gas from Canada over a two-year term from November 1, 1997, through October 31, 1999. This natural gas may be imported at any point on the border of the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, U.S. Gypsum 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, U.S. Gypsum 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.

C. Quarterly reports shall be filed with 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1998, and should cover the period from November 1, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on October 31, 1997.

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

1. 1/ 15 U.S.C. § 717b.
2. 2/ 1 MMBtu is equal to approximately one thousand cubic feet (Mcf).