

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

PANCANADIAN PETROLEUM COMPANY

FE DOCKET NO. 97-114-NG

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

DOE/FE ORDER NO. 1347

DECEMBER 23, 1997

## I. DESCRIPTION OF REQUEST

On December 23, 1997, as amended, PanCanadian Petroleum Company (PanCanadian) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>(1)</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 250 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on November 1, 1997.<sup>(2)</sup> PanCanadian, a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, is wholly-owned by PanCanadian Petroleum Limited, a major producer of hydrocarbons in western Canada. PanCanadian will import and export the gas under short-term and spot market purchase arrangements, either on its behalf for system supply or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by PanCanadian 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. 102-486). Under section 3(c), the import and export of natural gas from and 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 PanCanadian Gas 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. PanCanadian Petroleum Company (PanCanadian) is authorized to import and export up to a combined total of 250 Bcf of natural gas over a two-year term beginning on November 1, 1997, through October 31, 1999. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, PanCanadian 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. 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, PanCanadian 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 and exit; and (8) the geographic market(s) served (for imports, by State). For imports transactions only, the report shall 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.

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, through the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on December 23, 1997.

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

1. / 15 U.S.C. § 717b.

2. / PanCanadian's blanket import and export authorization granted by DOE/FE Order No. 1101, October 24, 1995 (1 FE ¶ 71,180) expired October 31, 1997. PanCanadian inadvertently continued the importing and exporting of natural gas from and to Canada without renewing its authorization and requests the authority sought in this application be granted retroactive to November 1, 1997.