

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

QUESTAR ENERGY TRADING COMPANY

FE DOCKET NO. 98-03-NG

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

DOE/FE ORDER NO. 1358

FEBRUARY 3, 1998

I. DESCRIPTION OF REQUEST

On January 14, 1998, Questar Energy Trading Company (QET) 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 50 billion cubic feet (Bcf) of natural gas and to export up to 50 Bcf of natural gas from and to Canada over a two-year term beginning on February 28, 1998.⁽²⁾ QET is a Utah corporation, with offices located in Salt Lake City, Utah. QET is a wholly-owned subsidiary of Questar Corporation, a Utah corporation, and is an affiliate of Questar Pipeline Company. QET will import and export the gas under short-term and spot market purchase arrangements, either on its behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by QET 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 QET 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. Questar Energy Trading Company (QET) is authorized to import up to 50 Bcf of natural gas from Canada and to export up to 50 Bcf of natural gas to Canada over a two-year term beginning on February 28, 1998, through February 27, 2000. This natural gas may be imported and exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, QET 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, QET 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 import 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 3E-042, 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 April 30, 1998, and should cover the period from February 28, 1998, through the end of the first calendar quarter, March 31, 1998.

Issued in Washington, D.C., on February 3, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import & Export Activities

Office of Fossil Energy

1. / 15 U.S.C. § 717b.

2. / QET's current blanket import and export authorizations, transferred to QET by DOE/FE Order No. 1186, July 22, 1996 (1 FE ¶71,286), expire on February 27, 1998.