

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CHEVRON U.S.A. INC.

FE DOCKET NO. 98-32-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1383

MAY 08, 1998

I. DESCRIPTION OF REQUEST

On April 27, 1998, Chevron U.S.A. Inc. (Chevron), 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, requesting blanket authorization to import up to 73 Bcf of natural gas from Canada for two years beginning on July 1, 1998.⁽²⁾ Chevron, a Pennsylvania corporation with its principal place of business in San Francisco, California, is a wholly-owned subsidiary of Chevron Corporation. Chevron requests authority to import this gas under spot and short-term sales arrangements, on its own behalf as well as on behalf of others. The specific terms of each import, including price and volume, would be negotiated at arms length in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Chevron 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 importation 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 Chevron 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.

ORDER

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

A. Chevron U.S.A. Inc. (Chevron) is authorized to import from Canada up to 73 Bcf of natural gas over a two-year term beginning on July 1, 1998, through June 30, 2000. The gas may be imported at any U.S./Canada border point.

B. With respect to the natural gas imports authorized by this Order, Chevron shall file with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Chevron must report total monthly volumes in Mcf and the average purchase price 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 U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by State); (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. The quarterly reports required by Ordering Paragraph B of this Order 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 October 30, 1998, and should cover the period from July 1, 1998, until the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on May 08, 1998.

John W. Glynn

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/ June 30, 1998, is the expiration date of Chevron's existing blanket import authorization granted by DOE/FE Order No. 1160 dated April 29, 1996 (1 FE ¶ 71,252).