

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

PREMSTAR ENERGY CANADA, LTD.

FE DOCKET NO. 98-54-NG

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

DOE/FE ORDER NO. 1403

JULY 27, 1998

## I. DESCRIPTION OF REQUEST

On July 20, 1998, PremStar Energy Canada, Ltd. (PremStar) 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 export up to 140 billion cubic feet (Bcf) of natural gas from the United States to Canada and to import up to 140 Bcf of natural gas to the United States from Canada over a two-year period beginning on the date of the first export or import delivery. PremStar, an Ontario corporation, is a buyer and seller of natural gas. PremStar will export and import the gas under short-term and spot market purchase arrangements, either on its own 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 PremStar has been evaluated to determine if the proposed export and 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 export and import 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 PremStar to export and import 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. PremStar Energy Canada, Ltd. (PremStar) is authorized to export up to 140 Bcf of natural gas from the United States to Canada and to import up to 140 Bcf of natural gas to the United States from Canada over a two-year period beginning on the date of the first export or import delivery. This natural gas may be exported and imported at any point on the international border of the United States and Canada.
- B. Within two weeks after deliveries begin, PremStar shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.
- C. With respect to the natural gas exports and imports authorized by this Order, PremStar shall file within 30 days following each calendar quarter, quarterly reports indicating whether exports or imports of natural gas have been made. If no exports or imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, PremStar must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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.
- D. The notification and reports required by Ordering Paragraphs B and C 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.
- E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1998, and should cover the period from the date of this Order through the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on July 27, 1998.

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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.