

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

UNION GAS LIMITED

FE DOCKET NO. 98-56-NG

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

DOE/FE ORDER NO. 1404

AUGUST 12, 1998

## I. DESCRIPTION OF REQUEST

On July 24, 1998, Union Gas Limited (Union) 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 216 Bcf of natural gas from and to Canada.<sup>(2)</sup> The authorization would be for a two-year term beginning August 15, 1998. Union is a Canadian corporation with its principal place of business in Chatham, Ontario, Canada. Union is engaged in the import of Canadian natural gas and the export of United States natural gas, including the transportation and/or storage followed by the reexport or reimport back into the country of origin for consumption. Union will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Union 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 or export of natural gas from or 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 Union 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. Union Gas Limited (Union) is authorized to import and export up to 216 Bcf of natural gas from and to Canada. The term of the authority is for two years beginning on August 15, 1998, and ending August 14, 2000.

B. This natural gas may be imported and exported at any point on the border between the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, Union 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, Union 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 U. S. 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 also include: (1) whether sales are being made on an interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. 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 August 15, 1998, until the end of the third calendar quarter, September 30, 1998.

E. The quarterly report required by Ordering Paragraph 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.

Issued in Washington, D.C., on August 12, 1998.

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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/ On January 1, 1998, Union and Centra Gas Ontario, Inc. (Centra) were amalgamated into a single corporate entity under Union. Previously, Union and Centra held blanket authorities in Order Nos. 1214 and 1311 respectively, to import and export natural gas which have been vacated. Under the instant application, Union is requesting an authorization reflecting the combined authorized import/export totals found in Orders 1214 and 1311.