

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CHEVRON U.S.A. INC.

FE DOCKET NO. 98-76-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1430

OCTOBER 30, 1998

I. DESCRIPTION OF REQUEST

On October 14, 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 authorization to import from Canada up to 1,500 thousand cubic feet (Mcf) of natural gas per day from November 1, 1997, through October 31, 2001. Chevron, a wholly-owned subsidiary of Chevron Corporation will be supplied the gas primarily by Chevron Canada Resources, another wholly-owned subsidiary of Chevron Corporation. Chevron will sell the gas to Georgia-Pacific Corporation (Georgia-Pacific) under the terms of an August 1988 natural gas purchase and sale agreement retroactive to November 1, 1997. Chevron has been utilizing its existing blanket authority to import these volumes since November 1997.⁽²⁾ Chevron Canada has a firm transportation agreement with NOVA Corporation providing for 1,500 Mcf per day. Georgia-Pacific has firm transportation agreements with TransCanada PipeLines and North Country Gas Pipeline for delivery of the gas to its Plattsburg, New York, plant.

II. FINDING

The application filed by Chevron has been evaluated to determine if the proposed import arrangement meets the public interest requirements 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.

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 1,500 thousand cubic feet per day of natural gas from November 1, 1997, through October 31, 2001. This natural gas may be imported from Canada at the pipeline connection of TransCanada PipeLines Limited and North Country Gas Pipeline near Champlain, New York (Napierville, Quebec) at the United States/ Canada border.

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, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this Order. 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 of gas in U.S. dollars per MMBtu delivered at the international border, and paid to Chevron Canada Resources and other gas suppliers. The monthly price information shall itemize separately the monthly demand and commodity charges, and, if applicable, reservation fees.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1999, and should cover the period from October 1, 1998, until the end of the fourth calendar quarter, December 31, 1998.

D. 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.

Issued in Washington, D.C., on October 30, 1998.

John W. Glynn

Manager, Natural Gas Regulations

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ See DOE/FE Order Nos. 1160 and 1383, 1 FE ¶ (71,252) and 1 FE ¶ (71,559).