

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

EQUITABLE ENERGY L.L.C.

FE DOCKET NO. 98-90-NG

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

DOE/FE ORDER NO. 1437

NOVEMBER 18, 1998

## I. DESCRIPTION OF REQUEST

On November 12, 1998, Equitable Energy L.L.C. (Equitable Energy) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>(1)</sup> (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 100 billion cubic feet (Bcf) of natural gas from Canada and Mexico and to export up to 100 Bcf of natural gas to Canada and Mexico over a two-year term beginning on December 1, 1998. Equitable Energy, a wholly-owned subsidiary of Equitable Resources Inc., is a Delaware corporation with its principal place of business in Pittsburgh, Pennsylvania. Equitable Energy intends to import and export the gas under spot and short-term transactions, 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 Equitable Energy has been evaluated to determine if the proposed import/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 Equitable Energy to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are 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. Equitable Energy L.L.C. (Equitable Energy) is authorized to import up to 100 billion cubic feet (Bcf) of natural gas from Canada and Mexico and to export up to 100 Bcf of natural gas to Canada and Mexico over a two-year term beginning on December 1, 1998, and expiring on November 30, 2000. This natural gas may be imported and exported at any point on the borders between the United States and Canada and between the United States and Mexico.

B. With respect to the natural gas imports and exports authorized by this Order, Equitable Energy 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, Equitable Energy 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 also 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. 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 December 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 November 18, 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.