

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

---

COAST ENERGY GROUP A DIVISION ) FE DOCKET NO. 99-07-NG  
OF CORNERSTONE PROPANE L.P. )  
\_\_\_\_\_ )

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

DOE/FE ORDER NO. 1459

FEBRUARY 02, 1999

## I. DESCRIPTION OF REQUEST

On January 25, 1999, Coast Energy Group a division of Cornerstone Propane L.P. (Coast) 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 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, for a two-year term beginning January 1, 1999.<sup>2/</sup> Coast is a Delaware limited partnership with its principal place of business in Calgary, Alberta, Canada. Coast will import and export the natural gas on its own behalf and on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Coast 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 nations with which there are 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 Coast to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meet the section 3(c) criterion and, therefore, is consistent with the

---

<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> Coast wants to import/export natural gas under its own name rather than under its recently acquired ERI Services, Inc. (ERI). ERI holds a blanket authorization under DOE/FE Order No. 1244 (FE Docket No. 97-07-NG), which is scheduled to expire on February 15, 1999.

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. Coast Energy Group a division of Cornerstone Propane L.P. (Coast) 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 January 1, 1999, and ending December 31, 2000.

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

C. With respect to the natural gas imports and exports authorized by this Order, Coast shall file with the Office of Natural Gas & Petroleum Import & 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, Coast 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 April 30, 1999, and should cover the period from January 1, 1999, until the end of the first calendar quarter, March 31, 1999.

E. The quarterly report required by Ordering Paragraph C of this Order shall be filed with the Office of Natural Gas & Petroleum Import & 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 February 02, 1999.

---

John W. Glynn  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy