

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CRESTAR ENERGY MARKETING CORP.)

FE DOCKET NO. 99-51-NG

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

DOE/FE ORDER NO. 1501

JULY 09, 1999

I. DESCRIPTION OF REQUEST

On July 5, 1999, as supplemented July 7, 1999, Crestar Energy Marketing Corp. (Crestar) filed an application with the Office of Fossil Energy (FE) 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, for authorization to import and export up to a combined total of 50 Bcf of natural gas from and to Canada over a two-year term beginning on July 12, 1999, and extending through July 11, 2001.^{2/} Crestar, a Delaware corporation, with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Crestar Energy Inc. Crestar is engaged in the purchase and sale of natural gas and will import and export the natural gas under short-term and spot purchase arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Crestar 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 Crestar 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

^{1/} 15 U.S.C. § 717b.

^{2/} Crestar's current blanket authorization to import and export natural gas from and to Canada expires on July 11, 1999; this authorization was issued on June 10, 1997, in DOE/FE Order No. 1278 (1 FE ¶ 71,414).

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. Crestar Energy Marketing Corp. (Crestar) is authorized to import and export up to a combined total of 50 Bcf of natural gas from and to Canada over a two-year term beginning on July 12, 1999, and extending through July 11, 2001.

B. This natural gas may be imported or 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, Crestar shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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, Crestar 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 if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The reporting requirements described in 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1999, and should cover the period from July 12, 1999, until the end of the third calendar quarter, September 30, 1999.

Issued in Washington, D.C., on July 09, 1999.

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