

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PETRO-CANADA HYDROCARBONS INC.) FE DOCKET NO. 01-03-NG
_____)

**ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA**

DOE/FE ORDER NO. 1667

FEBRUARY 20, 2001

I. DESCRIPTION OF REQUEST

On February 8, 2001, Petro-Canada Hydrocarbons Inc. (the Applicant) filed 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, for blanket authority to import up to 300 billion cubic feet (Bcf) of natural gas from Canada. The term of the authorization will be for two years beginning March 4, 2001, and extending through March 3, 2003.^{2/} The Applicant is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, and a wholly-owned subsidiary of Petro-Canada. The parent company is one of the five largest natural gas producers in Canada. This natural gas will be imported under short-term and spot market arrangements and resold to industrial customers, natural gas distributors, and marketing companies in the United States, either directly by the Applicant or as the agent for Petro-Canada. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Petro-Canada Hydrocarbons Inc. has been evaluated to determine if the proposed import 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 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 Applicant to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the

^{1/} 15 U.S.C. § 717b.

^{2/} The Applicant currently has authority, under DOE/FE Order No. 1457, to import up to 300 Bcf of Canadian natural gas over a two-year period which expires March 3, 2001 (2 FE ¶ 70,292, January 29, 1999).

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. Petro-Canada Hydrocarbons Inc. (the Applicant) is authorized to import up to 300 Bcf of natural gas from Canada over a period of two years commencing March 4, 2001, and continuing through March 3, 2003. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, the Applicant will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, the Applicant must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports will also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by state); (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO.: 1901-0294]

C. The reports required by Ordering Paragraph B of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2001, and should cover the period from March 4, 1997 until the end of the first calendar quarter, March 31, 2001.

Issued in Washington, D.C., on February 20, 2001.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
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