

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

BP ENERGY COMPANY

FE DOCKET NO. 01-62-NG

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

DOE/FE ORDER NO. 1724

OCTOBER 26, 2001

DESCRIPTION OF REQUEST

On October 17, 2001, BP Energy Company (BP Energy) 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 blanket authorization to import and export up to an aggregate volume of 1,100 billion cubic feet of natural gas from and to Canada and Mexico. BP Energy is a Delaware corporation with its principal place of business in Houston, Texas. The term of the authorization would be for a period of two years beginning on November 10, 2001 , and extending through November 9, 2003.^{2/} This gas would be imported and exported under short-term and spot market transactions either on BP Energy's 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 BP Energy 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 BP 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.

^{1/} 15 U.S.C. §717b.

^{2/} November 10, 2001 is the expiration date of BP Energy's current blanket authorization to import and export natural gas granted by DOE/FE Order Nos. 1540 and 1540-A, dated November 10, 2001, and October 19, 2000, (2 FE ¶ 70,411 and 2 FE ¶ 70,546, respectively).

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. BP Energy Company (BP Energy) is authorized to import and export up to an aggregate of 1,100 billion cubic feet of natural gas from and to Canada and Mexico. The term of this authorization is for a period of two years beginning on November 10, 2001, and extending through November 9, 2003. This natural gas may be imported or 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 imports and exports authorized by this Order, BP Energy 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, BP Energy must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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 or exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the reports also shall 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]

C. The reports required by Ordering B 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2002, and should cover the period from November 10, 2001, until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on October 26, 2001.

Yvonne Caudillo
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Office of Natural Gas & Petroleum
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