

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

**CRESTAR ENERGY MARKETING
CORP.**

FE DOCKET NO. 01-73-NG

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

DOE/FE ORDER NO. 1736

NOVEMBER 13, 2001

DESCRIPTION OF REQUEST

On October 30, 2001, Crestar Energy Marketing Corp.(Crestar) applied to the Office of Fossil Energy (FE) 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 a two-year, blanket authorization to import and export natural gas from and to Canada, effective July 11, 2001. The quantity involved would not exceed a combined total of 100 billion cubic feet (Bcf).

Crestar is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, and a wholly-owned subsidiary of Conoco Canada Resources Limited. It intends to use the broad-based authority it seeks to buy and sell natural gas for delivery between the United States and Canada under short-term and spot-market arrangements. Crestar plans to conduct business either on its own behalf or as an agent for others.

In DOE/FE Order No. 1501 (Order 1501) issued July 9, 1999, Crestar received similar authority which extended from July 12, 1999, through July 11, 2001.^{2/} Then, the quantity authorized was a combined total of 50 Bcf. Granting a new authorization will enable the Crestar to continue importing and exporting natural gas for two more years beginning July 12, 2001, under the same conditions.^{3/} Once again, each sales and purchase transaction will be structured to provide for a market-based price.^{4/} The proposed imports and exports involve no new construction or expansion of 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

^{1/} 15 U.S.C. § 717b.

^{2/} See Order 1501 (2 FE ¶ 70,358).

^{3/} Crestar inadvertently failed to file for new import authority in a timely manner. However, since Crestar continued reporting to FE the details of each import and export transaction it entered into after July 11, 2001, we are granting this authorization effective July 12, 2001.

^{4/} Granting Crestar's application would represent the fifth extension of the import and export authorization, which was originally granted by DOE/FE Order No. 766 on February 16, 1993 (1 FE ¶ 70,754).

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 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 100 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 January 30, 2002, and should cover the period from October 1, 2001, until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on November 13, 2001.

Thomas W. Dukes
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy