

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

TEXACO ENERGY MARKETING L.P.

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FE DOCKET NO. 02-01-NG

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

DOE/FE ORDER NO. 1753

JANUARY 16, 2002

I. DESCRIPTION OF REQUEST

On January 11, 2002, Texaco Energy Marketing L.P. (TEM) 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 natural gas from Canada, beginning January 21, 2002. Specifically, TEM seeks to import up to 120 billion cubic feet (Bcf) of natural gas through short-term and spot market arrangements.

TEM is a Delaware limited partnership with its principal office in Houston, Texas, whose sole general partner is Texaco Natural Gas Inc. In DOE/FE Order No. 1564, issued January 21, 2000, TEM received similar broad-based authority to import up to 75 Bcf of Canadian natural gas which extended from January 21, 2000, through January 20, 2002.^{2/} Granting a new blanket authorization will enable the company to import a greater quantity of natural gas from Canada for an additional two years under the same conditions. TEM will conduct business either as an agent on behalf of its Canadian suppliers and U.S. customers or for its own account. Once again, each sales and purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. The proposed imports involve no new construction or expansion of pipeline facilities.

II. FINDING

This application 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 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 TEM to import natural gas from 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/} 2 FE ¶ 70,453.

interest. This blanket order authorizes transactions under supply contracts with terms of no longer than two years.

ORDER

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

A. Texaco Energy Marketing Inc. (TEM) is authorized to import up to 120 Bcf of natural gas from Canada for two years beginning on January 21, 2002, and extending through January 20, 2004. This gas may enter the United States by pipeline at any international border crossing point.

B. With respect to the natural gas imports authorized by this Order, TEM 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 during that quarter.

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 have occurred, TEM must report the 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 first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2002, and should cover the period from January 21, 2002, until the end of the first calendar quarter, March 31, 2002.

D. The quarterly reports will 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 January 16, 2002.

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Office of Natural Gas & Petroleum
Import & Export Activities
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