

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PREMSTAR ENERGY CANADA LTD.

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FE DOCKET NO. 02-43-NG

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

DOE/FE ORDER NO. 1790

JUNE 17, 2002

I. DESCRIPTION OF REQUEST

On May 29, 2002, PremStar Energy Canada Ltd. (PremStar) 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/} for blanket authorization to import and export from and to Canada up to a combined total of 400 billion cubic feet (Bcf) of natural gas over a two-year term beginning on July 1, 2002, and extending through June 30, 2004.^{2/} PremStar, an Ontario corporation, with its principal place of business in Chatham, Ontario, Canada. PremStar is engaged in the business of purchasing natural gas from various gas producers, and reselling that gas. PremStar will import and export the natural gas under spot and short-term purchase arrangements on its own behalf and on the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by PremStar 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 PremStar to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, meets the

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redlegation Order No. 00-002.04 (January 8, 2002).

^{2/} June 30, 2002, is the expiration date of PremStar's current import/export authorization granted by DOE/FE Order No. 1605 on June 21, 2000 (2 FE ¶ 70,507).

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. PremStar Energy Canada Ltd. (PremStar) is authorized to import and export from and to Canada up to a combined total of 400 Bcf of natural gas over a two-year term beginning on July 1, 2002, and extending through June 30, 2004. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, PremStar shall file with 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, PremStar must report the following: (1) total monthly volumes in Mcf; (2) the average 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 United States transporter(s); (7) the point(s) of entry or exit; (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]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than October 30, 2002, and should cover the period from July 1, 2002, until the end of the third calendar quarter, September 30, 2002.

D. The quarterly reports required by Ordering Paragraph B of this Order shall 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.

Issued in Washington, D.C., on June 17, 2002.

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Office of Natural Gas & Petroleum
Import and Export Activities
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