

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**BP CANADA ENERGY MARKETING CORP.**

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**FE DOCKET NO. 02-62-NG**

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

**DOE/FE ORDER NO. 1809**

**SEPTEMBER 19, 2002**

## I. DESCRIPTION OF REQUEST

On September 17, 2002, BP Canada Energy Marketing Corp. (BP Canada) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket-type authority to import and export natural gas from and to Canada. BP Canada proposes to import and export up to a combined total of 500 billion cubic feet (Bcf) by means of short-term and spot market arrangements. This authorization will be for two years beginning September 24, 2002, and extending through September 23, 2004. BP Canada will carry out these transactions either on its own behalf or as an agent for others. There will be no new construction or expansion of pipeline facilities.

BP Canada has its headquarters in Chicago, Illinois.<sup>2/</sup> It received similar authority two years ago which expires September 23, 2002.<sup>3/</sup> Granting a new authorization will enable BP Canada to continue importing and exporting natural gas for two more years under the same conditions. Once again, each sale and purchase will be structured to provide for a market-based price. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by BP Canada has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as

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

<sup>2/</sup> BP Canada is a wholly-owned subsidiary of BP Canada Energy Company, which is a wholly-owned subsidiary of BP Amoco Corporation. BP Amoco Corporation, in turn, is a subsidiary of BP Amoco, plc., which is an integrated company engaged in the exploration, production, refining, transportation and marketing of oil, natural gas and other hydrocarbons.

<sup>3/</sup> See DOE/FE Order No. 1624 (2 FE ¶ 70,530).

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 Canada 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. BP Canada Energy Marketing Corp. (BP Canada) is authorized to import and export up to a combined total of 500 Bcf of natural gas from and to Canada for two years beginning September 24, 2002, and extending through September 23, 2002. This natural gas may be imported or exported at any point on the border between the United States and Canada.
- B. With respect to the natural gas imports and exports authorized by this Order, BP Canada will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports 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, BP Canada must report the following information: (1) the 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 will also include this additional information: (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 this Order 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.

D. 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 September 24, 2002, until the end of the third calendar quarter, September 30, 2002.

Issued in Washington, D.C., on September 19, 2002.

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