

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PETRO-CANADA HYDROCARBONS INC. ) FE DOCKET NO. 03-04-NG  
\_\_\_\_\_)

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1851

FEBRUARY 5, 2003

## I. DESCRIPTION OF REQUEST

On January 29, 2003, Petro-Canada Hydrocarbons Inc. (the Applicant) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for authorization to import from Canada, up to 300 Bcf of natural gas over a two-year term, beginning on March 4, 2003.<sup>2/</sup> The Applicant is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, and a wholly-owned subsidiary of Petro Canada. The Applicant will import the natural gas under short-term and spot market arrangements on behalf of itself or as an agent on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by the Applicant 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 import of natural gas from 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 the Applicant 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

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2002).

<sup>2/</sup> The Applicant current blanket authority to import natural gas granted by DOE/FE Order No. 1667 issued February 20, 2001 (2 FE ¶ 70,597) expires on March 3, 2003.

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. Petro-Canada Hydrocarbons Inc. (the Applicant) is authorized to import from Canada up to 300 Bcf of natural gas over a two-year term, beginning on March 4, 2003, and extending through March 3, 2005.

B. This natural gas may be imported at any point on the border of the United States and Canada.

C. With respect to the natural gas imports authorized by this Order, the Applicant shall 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. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, the Applicant must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each transaction, including: (1) the name of the sellers(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 breakdowns of the contract price. [OMB

NO. : 1901-0294]

D. The first quarterly report required by this Order is due not later than April 30, 2003, and should cover the period from March 4, 2003, until the end of the first calendar quarter, March 31, 2003.

E. The quarterly reports required by 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.

Issued in Washington, D.C., on February 5, 2003.

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Office of Fossil Energy