

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PAN-ALBERTA GAS (U.S.) INC.)
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FE DOCKET NO. 03-23-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1869

MAY 21, 2003

I. DESCRIPTION OF REQUEST

On May 19, 2003, Pan-Alberta Gas (U.S.) Inc. (PAGUS) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for authorization to import from Canada up to 730 billion cubic feet (Bcf) of natural gas over a two-year term beginning on July 4, 2003, and extending through July 3, 2005.^{2/} PAGUS, a Delaware corporation with its principal place of business in Calgary, Alberta, is a wholly-owned subsidiary of Pan-Alberta Gas Ltd. PAGUS is a marketer of natural gas and will import the gas under short-term and spot market transactions, on its own behalf as well as on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by PAGUS 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 PAGUS 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 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. Pan-Alberta Gas (U.S.) Inc. is authorized to import from Canada up to 730 billion cubic feet (Bcf) of natural gas over a two-year term beginning on July 4, 2003, and extending through July 3,

¹ 5 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2003).

² *AGUS's current blanket authorization to import natural gas granted by DOE/FE Order No. 1688 on June 7, 2001, expires July 3, 2003 (2 FE 635).*

2005. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, PAGUS 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, PAGUS 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 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic markets(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 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, 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, 2003, and should cover the period from July 4, 2003, until the end of the third calendar quarter, September 30, 2003.

Issued in Washington, D.C., on May 21, 2003.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy