

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CONOCOPHILLIPS ENERGY)
MARKETING CORP.)
_____)

FE DOCKET NO. 03-42-NG

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

DOE/FE ORDER NO. 1894

SEPTEMBER 9, 2003

I. DESCRIPTION OF REQUEST

On August 14, 2003, ConocoPhillips Energy Marketing Corp. (ConocoPhillips) 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 a two-year, blanket authorization to import and export up to a combined total of 200 billion cubic feet (Bcf) of natural gas from and to Canada, beginning July 12, 2003, and extending through July 11, 2005.^{2/}

ConocoPhillips Energy Marketing Corp. (ConocoPhillips) is the successor to Crestar Energy Marketing Corp. ConocoPhillips is a Delaware corporation and has offices in Calgary, Alberta and Houston, Texas. It intends to use the broad-based authority it seeks to buy and sell natural gas for delivery between the United States and Canada under short-term and spot-market arrangements. ConocoPhillips plans to conduct business either on its own behalf or as an agent for others.

In DOE/FE Order No. 1736 issued November 13, 2001, Crestar received similar authority which extended from July 12, 2001 through July 11, 2003.^{3/} ConocoPhillips is the successor to Crestar, granting this new authorization will enable ConocoPhillips to continue importing and exporting natural gas for two more years beginning July 12, 2003, and extending to July 11, 2005. The proposed imports and exports involve no new construction or expansion of pipeline facilities.

II. FINDING

The application filed by ConocoPhillips Corp. 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

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

2/ Order 1736 (2 FE ¶ 70,689).

3/ ConocoPhillips inadvertently failed to file for a new import and export authority in a timely manner. However, ConocoPhillips continued reporting to FE the details of each import and export transaction it entered into after July 11, 2003.

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 ConocoPhillips 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. ConocoPhillips Energy Marketing Corp. (ConocoPhillips) is authorized to import and export up to a combined total of 200 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on July 12, 2003, and extending through July 11, 2005. 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, ConocoPhillips shall file with the 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, ConocoPhillips must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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 or exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the reports also shall 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 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 12, 2003, until the end of the third quarter September 30, 2003.

Issued in Washington, D.C., on September 09, 2003.

Clifford P. Tomaszewski
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