

bp



bp
501 WestLake Park Boulevard
P. O. Box 3092 (77253-3092)
Houston, Texas 77079

September 3, 2004

04-85-26

Office of Fuels Program, Fossil Energy
Docket Room, 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

Frederick T. Kolb
Attorney
bp legal

BP Canada Energy Marketing Corp.
Docket No. _____

Tel 281-366-5009
Fax 281-366-5901

I enclose an original and fifteen (15) copies of the Application of BP Canada Energy Marketing Corp. for an Order Amending Orders Authorizing the Importation of Natural Gas from and Exportation of Natural Gas to Canada. I enclose a \$50.00 check for the filing fee. I also enclose an extra copy of this letter upon which I ask that you note the date and time of filing and return to me in the enclosed self-addressed, business reply envelope.

Thank you for your cooperation in this matter.

Sincerely,

Frederick T. Kolb

Enclosures
(as noted)

RECEIVED

SEP 17 2004

DOE/OFE/NGR

RECEIVED

UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
OFFICE OF FUELS PROGRAMS
FOSSIL ENERGY

SEP 7 2004

DOE/OFE/NGR

BP CANADA ENERGY
MARKETING CORP.,
formerly known as
AMOCO CANADA MARKETING CORP.

§ DOCKET NO.

04-85-NG

APPLICATION OF BP CANADA ENERGY MARKETING CORP.
FOR AN ORDER AMENDING ORDERS
AUTHORIZING THE IMPORTATION OF NATURAL GAS FROM AND
EXPORTATION OF NATURAL GAS TO CANADA

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. §717b, Department of Energy Delegation Order No. 0204-111, 49 Fed. Reg. 6690 (Feb. 22, 1984), and the regulations of 10 C.F.R. Part 590, BP CANADA ENERGY MARKETING CORP. ("Applicant" or "BP CANADA") submits this application for an order amending orders authorizing BP CANADA to import natural gas from and export natural gas to Canada on a short-term or spot market basis. The Order that BP CANADA requests be amended is Order No. 1809 issued in Docket No. 02-62-NG. BP CANADA requests that this authorization be extended for an additional term of two (2) years.

In support hereof, BP CANADA states as follows:

I.

The exact legal name of Applicant is BP CANADA ENERGY MARKETING CORP., formerly known as AMOCO CANADA MARKETING CORP. Applicant's principal place of business is 4101 Winfield Road, Warrenville, Illinois 60555.

II.

All communications concerning this application should be addressed as follows:

Cheryl Worthy
BP Canada Energy Marketing Corp.
240 4th Ave., SW
Calgary, Alberta
Canada T2P 2H8

Frederick T. Kolb, Attorney
BP America Inc.
501 WestLake Park Boulevard
Houston, Texas 77079

III.

Applicant is a Delaware corporation with its registered office in Wilmington, Delaware, and its principal place of business in Warrenville, Illinois. Applicant is authorized to conduct business in the United States and Canada, and the proposed imports and exports are within the corporate power of Applicant, as the attached opinion of counsel demonstrates. Applicant is a wholly-owned subsidiary of BP Canada Energy Company, which is an indirect wholly-owned subsidiary of BP America Inc. BP America Inc. is a wholly owned subsidiary of BP plc., an integrated company engaged in the exploration, production, refining, transportation and marketing of oil, natural gas and other hydrocarbons.

IV.

For BP CANADA to operate in the current market environment, BP CANADA requires “blanket” authorization to import natural gas from and export natural gas to Canada. In order to facilitate the timely review of short-term and spot sales transacted under this authorization, BP CANADA agrees to be bound by the reporting requirements set forth in the regulations.

V.

BP CANADA requests authorization from the Office of Fuels Programs, Fossil Energy, to import and export natural gas from and to Canada for an additional period of two (2) years, beginning September 24, 2004 and extending through September 23, 2006, in an aggregate volume of up to 500 Bcf. BP CANADA was authorized by the ERA under DOE/FE Order No. 1809 in Docket No. 02-62-NG, issued September 19, 2002 and clarified in DOE/FE Errata Notice issued September 25, 2002, to import and export up to a combined total of 500 Bcf of

natural gas from and to Canada for a two-year term beginning September 24, 2002 and extending through September 23, 2004.

VI.

Under §3(c) of the Natural Gas Act (15 U.S.C. §717b), applications for the importation and exportation of natural gas to and from a nation with which there is in effect a free trade agreement covering natural gas shall be granted without modification or delay. Such imports and exports shall be deemed to be consistent with the public interest.

VII.

If the authorization requested herein is granted, BP CANADA contemplates that it will (i) import natural gas from Canada for sales to markets in the United States on a short-term basis and (ii) export natural gas from the United States for sales to markets in Canada on a short-term basis.

BP CANADA's role in importing and exporting Canadian natural gas will vary from transaction to transaction. BP CANADA may act as a broker for U.S. purchasers, individual Canadian producers, Canadian producer groups and associations, and Canadian pipelines. BP CANADA may also act on its own behalf as an importer of natural gas for sale to U.S. purchasers.

BP CANADA proposes to purchase import quantities of natural gas at the United States-Canadian border for sales to various purchasers in the United States. BP CANADA proposes to sell export quantities at the United States-Canadian border to various purchasers in Canada as permitted by applicable Canadian law.

VIII.

The U.S. purchasers of Canadian natural gas from BP CANADA are expected to include, but are not limited to, industrial end users, agricultural users, electric utilities, pipelines, and distribution companies. It is expected that the majority of short-term and spot sales of

Canadian natural gas sold to U.S. purchasers will be used to displace higher priced energy supplies.

The natural gas quantities to be exported to Canada by BP CANADA will be obtained from a number of reliable sources in producing areas of the United States, in excess of the regional and national needs of current purchasers of natural gas located in the United States. The natural gas to be imported from Canada by BP CANADA will be supplied by individual producers, producer groups, associations, and pipeline companies.

The specific terms of each supply contract will be the product of negotiations between BP CANADA and the Canadian supplier. The terms of each supply contract will be dependent on the current market demand for natural gas as well as BP CANADA's contract arrangements with U.S. purchasers. The terms of each supply contract will include the price paid to the supplier, the volume, the duration of the agreement, and where applicable, contract adjustment and take provisions.

IX.

BP CANADA believes that approval and implementation of this gas import and export application will have a positive impact on the environment in instances where BP CANADA's natural gas is displacing the consumption of less environmentally friendly fuels. When competitively priced in the market place, no adverse environmental impact is anticipated.

BP CANADA intends to use existing transmission systems and does not require the construction of new or separate facilities in order to import and export natural gas. BP CANADA would hope also, during the term of this authorization, to utilize any facilities constructed by third parties, pursuant to appropriate regulatory authorization.

X.

The importation and exportation of natural gas by BP CANADA is consistent with the public interest. See V. above and 15 U.S.C. §717b(c).

XI.

To BP CANADA's knowledge, the matter of BP CANADA's import and export of natural gas for unspecified short-term or spot markets is not being directly considered by any other part of the Department of Energy (DOE), including the Federal Energy Regulatory Commission ("FERC") or any other federal agency or department. Some factors relating directly to the proposal, such as the appropriate charge for the transportation of natural gas through the facilities of transmission companies, are under the FERC jurisdiction.

XII.

BP CANADA submits the following Exhibits in support of its Application:

Exhibit "A" Opinion of Counsel

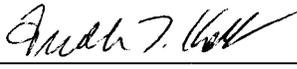
Exhibit "B" Certificate of Representation and Verification

WHEREFORE, BP CANADA ENERGY MARKETING CORP. submits that, for the reasons stated herein, its Application for authorization to import natural gas from and to export natural gas to Canada is not inconsistent with the public interest. BP Canada Energy Marketing Corp. respectfully requests authorization from the DOE, on an expedited basis on or before September 23, 2004, to import natural gas from and to export natural gas to Canada pursuant to the terms and conditions described herein in order to supply short-term and spot market sales, for an additional period of two (2) years, commencing on September 24, 2004 and extending through September 23, 2006, and for an aggregate volume not to exceed 500 Bcf during such two-year period. BP CANADA agrees to be bound by all reporting requirements in the regulations.

Dated: September 3, 2004

Respectfully submitted,

BP CANADA ENERGY MARKETING CORP.

By:  _____

Frederick T. Kolb
BP America Inc.
501 WestLake Park Blvd., MC 16.150
Houston, Texas 77079
(281) 366-5009

Attorney for
BP Canada Energy Marketing Corp.

EXHIBIT "A"

September 3, 2004

Office of Fuels Programs, Fossil Energy
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

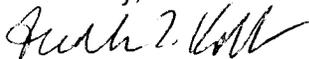
Office of Fuels Programs:

Import and Export of Natural Gas by BP Canada Energy Marketing Corp.

I am an attorney representing BP Canada Energy Marketing Corp., the Applicant in this proceeding. Based upon my familiarity with the Application of BP Canada Energy Marketing Corp. and other relevant corporate documents, I am of the opinion that:

1. BP Canada Energy Marketing Corp. is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and has all requisite corporate power to carry on its business in the United States and Canada.
2. BP Canada Energy Marketing Corp. has the requisite corporate authority to file its Application with the Office of Fuels Program, Fossil Energy for an order amending orders authorizing it to import natural gas from and to export natural gas to Canada and to accept such authorization, and to import, export, and arrange for delivery and sales of such natural gas, subject to applicable regulatory authority of the Office of Fuels Programs, Fossil Energy, the Federal Energy Regulatory Commission, and any state regulatory agency having jurisdiction.

Sincerely,



Frederick T. Kolb,
Attorney for
BP Canada Energy Marketing Corp.

EXHIBIT "B"

VERIFICATION

THE STATE OF ALASKA §
 §
BURROUGH OF ANCHORAGE §

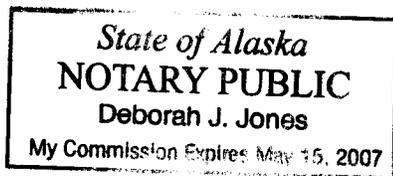
Frederick T. Kolb, being first duly sworn, upon oath, deposes and says:

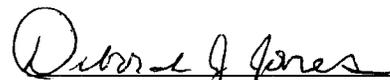
That he is an attorney for BP Canada Energy Marketing Corp. and that as such he has signed the foregoing Application for and on behalf of said Company; that he is authorized to do so; that he has read the same and is familiar with the contents thereof; and that the matters and things set for the therein are true and correct to the best of his knowledge, information and belief.



Frederick T. Kolb

Subscribed and sworn to before me, a Notary Public, in and for the State of Alaska, on this the 3rd day of September, 2004.



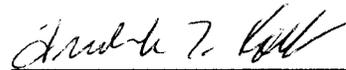


Notary Public in and for
The State of Alaska
My Commission Expires: 5/15/07

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Application of BP Canada Energy Marketing Corp. for an Order Amending Orders Authorizing the Importation and Exportation of Natural Gas from Canada in accordance with the requirements of 10 C.F.R. §590.107, and I am authorized to file the same with the Office of Fuels Programs.

Dated at Anchorage, Alaska, this ____ day of September, 2004.



Frederick T. Kolb
BP America Inc.
501 WestLake Park Blvd., MC 16.138
Houston, Texas 77079
(281) 366-5009

Attorney for
BP Canada Energy Marketing Corp.