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UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY
WASHINGTON, D.C.

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

IRVING OIL TERMINALS INC)
)
)

FE Docket No. 4-01-NG

APPLICATION OF IRVING OIL TERMINALS INC.
FOR BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS

Pursuant to Section 3 of the Natural Gas Act ("NGA"),¹ Part 590 of the Regulations of the Department of Energy ("DOE"),² and DOE Delegation Order Nos. 0204-111³ and 0204-127,⁴ Irving Oil Terminals Inc. ("Irving" or "Applicant") hereby submits to the Office of Fossil Energy ("FE") of DOE an application for blanket authorization to import and export a combined total of up to 13.77 billion cubic feet ("Bcf") of natural gas from and to Canada on a short-term basis, over a two-year term beginning on January 1, 2004.

As set forth more fully herein, Irving requests that it be granted import/export authorization similar to that granted numerous other importers and exporters. The authorization requested herein will meet the public interest requirement of Section 3 of the NGA, as amended by Section 201 of the Energy Policy Act of 1992,⁵ because Canada, the nation from which and to which Irving seeks authorization to import and export natural gas, is a country with which a free trade agreement is in effect. Section 3(c) of the NGA provides that the import or export of natural gas from a country 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.

¹ Natural Gas Act of 1938, as amended, 15 U.S.C. § 717b (2000).
² 10 C.F.R. § 590.1, *et seq.* (2000).
³ 49 Fed. Reg. 6684 (February 24, 1984).
⁴ 54 Fed. Reg. 11436 (March 20, 1989).
⁵ Pub. L. 102-486.

Irving requests that such authorization be granted on a blanket basis so that Irving will have the flexibility to respond quickly to changing conditions in the U.S. and Canadian gas markets.

In support of this application, Irving respectfully states as follows:

I. INFORMATION CONCERNING THE APPLICANT

The legal name of the Applicant is Irving Oil Terminals Inc., a corporation organized under the laws of Delaware, with its principal place of business at 190 Commerce Way, Portsmouth, NH 03801. Irving Oil Terminals Inc. is a subsidiary of Irving Oil Limited. Irving Oil Limited is a corporation organized and existing under the laws of the Province of New Brunswick, Canada, with its principal place of business in Saint John, New Brunswick, Canada. Irving Oil Terminals Inc. is engaged in the business of marketing and trading natural gas.

The names, titles and mailing addresses of the persons to whom correspondence and communications concerning this application should be addressed are as follows:

Dan Breen
Treasurer
Irving Oil Terminals Inc.
190 Commerce Way
Portsmouth, NH 03801
(603) 559-8721 (tel.)
(603) 559-8795 (fax)

David J. Levine
Gregory K. Lawrence
McDermott, Will & Emery
600 13th Street, N.W.
Washington, D.C. 20005
(202) 756-8000 (tel.)
(202) 756-8087 (fax)

II. AUTHORIZATION REQUESTED

Irving herein seeks import/export authorization consistent with authorization granted to numerous other applicants.⁶ By this application, Irving requests blanket

⁶ See, e.g., *Transco Energy Marketing Co.*, DOE/FE Opinion and Order No. 1665, FE Docket No. FE 01-01-NG (January 22, 2001); *Selkirk Cogen Partners, L.P.*, DOE/FE Opinion and Order No. 1664, FE Docket No. FE01-02-NG (January 26, 2001); *Coast Energy Group*, DOE/FE Opinion and Order No. 1660, FE Docket No. FE00-99-NG (December 21, 2000); *Hunt Oil Co. of Canada*, DOE/FE Opinion and Order No. 1657, FE Docket No. FE00-95-NG (December 8, 2000); *Coastal Merchant Energy, L.P.*,

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authorization to (i) import pipeline quality natural gas from Canada for sales to markets in the United States during a two-year period and (ii) export to Canada pipeline quality natural gas produced in the United States during a two-year period, commencing on the date of the first delivery pursuant to such authorization, such quantities to be imported and exported not to exceed in the aggregate a maximum quantity of 13.77 Bcf.

Irving requests authorization to export and import for its own account as well as on behalf of the accounts of U.S. suppliers and purchasers and Canadian suppliers and purchasers. Irving further requests that such export and import authority be granted on a blanket basis to provide Irving with the flexibility necessary to respond to rapidly changing conditions in the natural gas markets in the United States and Canada.

If the authorization requested herein is granted, Irving 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. Natural gas imported from Canada will be obtained from a number of reliable sources in producing areas of Canada. Irving proposes to purchase such quantities of imported natural gas in Goldboro, Nova Scotia for sales to various purchasers in the United States. The natural gas quantities to be exported 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.

Irving proposes to sell export quantities in Goldboro, Nova Scotia to various purchasers in Canada as permitted by applicable Canadian law.

Irving also may secure transportation arrangements for the gas to be imported and exported. Irving proposes to effectuate the imports and exports through use of existing U.S. pipeline facilities. Thus, Irving does not propose the construction of any new facilities.

III. REGULATORY ANALYSIS

Pursuant to Section 3 of the Natural Gas Act, *supra*, and Department of Energy Delegation Order No. 0204-11, *supra*, an application to import and export gas must be approved unless there is a finding that the proposed importation and exportation will not be consistent with the public interest.

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DPE/FE Opinion and Order No. 1652, FE Docket No. FE00-88-NG (November 20, 2000); *Southern Company Energy Marketing L.P.*, DOE/FE Opinion and Order No. 1408, FE Docket No. FE 98-59-NG (August 27, 1998); *Upstate Energy Inc.*, DOE/FE Opinion and Order No. 1407, FE Docket No. FE 98-57-NG (August 18, 1998); *Coral Energy Resources, L.P.*, DOE/FE Opinion and Order No. 1397, FE Docket No. FE 98-48-NG (July 1, 1998).

Under Section 3(c) of the NGA, as amended by Section 201 of the Energy Policy Act of 1992, *supra*, the import or export 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 notification or delay. The authorization sought herein by Irving 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.

Since no new facilities will be constructed specifically for the proposed importation and exportation of natural gas, granting this application would not involve a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. §§ 4321, *et seq.* Accordingly, neither an environmental impact statement nor an environmental assessment is required.

IV. REPORTING REQUIREMENTS

With respect to all imports and exports made pursuant to the authorization requested herein, Irving will undertake to file with the DOE/FE in the month following the close of each calendar quarter, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of imports and exports in Mcf and the average price for the imports and exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of entry or point of exit, whether the sales are made on an interruptible or firm basis and, if applicable, the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. Irving will notify the DOE/FE in writing of the date of the first delivery of natural gas imported or exported under the requested authorization within two weeks of such delivery.

IV. CONCLUSION

For the reasons, and subject to the terms set forth above, Irving respectfully requests that the FE expeditiously grant the requested authorization to import and export a combined total of up to 13.77 Bcf of natural gas from and to Canada to receiving facilities in the United States on a blanket basis over a two-year term beginning on January 1, 2004.

Respectfully submitted,

IRVING OIL TERMINALS INC.

A handwritten signature in black ink, appearing to read "David J. Levine", is written over a solid horizontal line.

David J. Levine
Gregory K. Lawrence

*Attorneys for
Irving Oil Terminals Inc.*



IRVING OIL CORPORATION
190 COMMERCE WAY
PORTSMOUTH, NH 03801

December 2, 2003

Re: Irving Oil Terminals Inc.

To Whom It May Concern:

I am the Assistant Secretary and General Counsel of Irving Oil Corporation, a Maine corporation and the sole shareholder of Irving Oil Terminals Inc., a Delaware corporation ("IOTI"). I have reviewed the Certificate of Incorporation and By-Laws of IOTI and certain other records and documents that I deemed appropriate. Based on that review, I hereby confirm that the import and/or export of natural gas is within the corporate powers of IOTI.

Please do not hesitate to contact me with any questions or concerns regarding the foregoing.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike O'Connor".

Michael J. O'Connor

Exhibit A