

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

WESTCOAST GAS SERVICES INC.) FE DOCKET NOS. 96-87-NG
_____)

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

DOE/FE ORDER NO. 1226

DECEMBER 11, 1996

I. DESCRIPTION OF REQUEST _____

On November 14, 1996, Westcoast Gas Services Inc. (WGSi) 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, and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG), from Canada and to export up to 1,000 Bcf of natural gas to Canada over a period of two years beginning on the date of first delivery after December 31, 1996.² WGSi, a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, is a natural gas marketing company. It is a wholly-owned subsidiary of Westcoast Energy Inc. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by WGSi 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), an import or export of natural gas, including LNG, from or to 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 WGSi to import natural gas and LNG from

1/ 15 U.S.C. 717b. —

2/ This is the expiration date of WGSIs current blanket —
authorization to import and export natural gas, granted by DOE/FE
Order No. 984 on October 4, 1994 (1 FE 71,027).

Canada and to export natural gas 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. Westcoast Gas Services Inc. (WGSI) is authorized to import up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG) from Canada and to export up to 1,000 Bcf of natural gas to Canada. This authorization is for a period of two years beginning on the date of the initial import or export after December 31, 1996, whichever occurs first. The natural gas may be imported and exported at any point on the border of the United States and Canada. The LNG may also be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, WGSI shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-35, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas and LNG imports and

exports authorized by this Order, WGSII shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports

indicating whether imports or exports 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, WGSII must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports also shall provide the details of each import and export 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 U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served (for imports by State). For import transactions only, the report shall also include: (1) whether the 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1997, and should cover the period from January 1, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on December 11, 1996.

Wayne E. Peters
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Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy