

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

JONAN GAS MARKETING INC.)

FE DOCKET NO. 99-73-NG

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

DOE/FE ORDER NO. 1523

OCTOBER 14, 1999

I. DESCRIPTION OF REQUEST

On October 5, 1999, Jonan Gas Marketing Inc. (Jonan) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 100 billion cubic feet of natural gas from and to Canada over a two-year term beginning on the date that the first import or export occurs after October 31, 1999.^{2/} Jonan is a Nevada corporation with its principal place of business in Calgary, Alberta. Jonan will import and export the natural gas under spot and short-term purchase arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Jonan has been evaluated to determine if the proposed import/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 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 Jonan 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.

^{1/} 15 U.S.C. § 717b.

^{2/} October 31, 1999, is the expiration date of Jonan's import/export authorization granted by DOE/FE Order No. 1319 on October 27, 1997 (1 FE ¶ 71,473).

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Jonan Gas Marketing Inc. (Jonan) is authorized to import and export up to a combined total of 100 billion cubic feet of natural gas from and to Canada over a two-year term beginning on the date of the first import or export delivery after October 31, 1999, whichever occurs first. This natural gas may be imported and exported at any United States/Canada border point.

B. Within two weeks after deliveries begin, Jonan shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities 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 imports and exports authorized by this Order, Jonan 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Jonan must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase 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 United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also 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]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2000, and should cover the period from November 1, 1999, until the end of the fourth calendar quarter, December 31, 1999.

E. The notification and reports required by Ordering Paragraphs B and C 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.

Issued in Washington, D.C., on October 14, 1999.

Clifford P. Tomaszewski
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Office of Natural Gas & Petroleum
Import & Export Activities
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