UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

| | | |
|---|---|---|
| TRANSCO ENERGY MARKETING COMPANY | ) | FE DOCKET NO. 93-46-NG |

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 804

MAY 12, 1993

I. DESCRIPTION OF REQUEST

On May 6, 1993, Transco Energy Marketing Company (TEMCO), 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/, requesting extension of a blanket authorization to import Canadian natural gas which ended February 6, 1993. By DOE/FE Opinion and Order No. 477 (Order 477), issued February 7, 1991, TEMCO was authorized to import up to 730 Bcf of natural gas from Canada over a period of two years through February 6, 1993.2/ TEMCO requests that the new import authority be retroactively approved to commence February 7, 1993, and continue for a term of two years. TEMCO, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly owned subsidiary of Transco Energy Services Company, which, in turn, is a wholly owned subsidiary of Transco Energy Company.

TEMCO applied for the authorization to begin February 7, 1993, because it mistakenly continued importing gas from Canada after Order 477 expired. In early April TEMCO disclosed to DOE that unauthorized imports had taken place and stated its intention to file an application to extend the previous arrangement for two more years. DOE told TEMCO to include the unauthorized volumes imported and the specific details of each transaction in its final quarterly report filed under Order 477. In addition, TEMCO was directed to submit at the earliest

1. 15 U.S.C. Sec. 717b.

2. 1 FE Para. 70,411.

practicable time an application to renew its blanket import authority.

Under the blanket authority requested, TEMCO would import the gas under spot and short-term arrangements, either on its own behalf or as the agent for others. The specific terms of each transaction would be negotiated on an individual basis in response to prevailing gas market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by TEMCO has been evaluated to determine if the proposed import 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 importation 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 modification or delay. The authorization sought by TEMCO to import natural gas from 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. The unique circumstances of this case are sufficient to justify granting the authorization retroactively. 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. Transco Energy Marketing Company (TEMCO) is authorized to import from Canada, at any point on the international border, up to 730 Bcf of natural gas from February 7, 1993, through February 6, 1995.

B. With respect to the natural gas imports authorized by this Order, TEMCO shall file with the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, TEMCO must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import 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; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 1993, and should cover the period from April 1, 1993, through the end of the second calendar quarter, June 30, 1993.

Issued in Washington, D.C., on May 12, 1993.

Anthony J. Como
Acting Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy