

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SONAT MARKETING COMPANY

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FE DOCKET NO. 93-53-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO.821

JULY 14, 1993

I. DESCRIPTION OF REQUEST _____

On May 12, 1993, as amended on June 18, 1993, Sonat Marketing Company (Sonat) 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 natural gas from Canada. The authorization would allow Sonat to import up to 100 Bcf of gas over a period of two years beginning on the date of the first delivery. Sonat is a Delaware corporation with its principal place of business in Birmingham, Alabama. Sonat is also a marketer of natural gas and a wholly owned, indirect subsidiary of Sonat, Inc. Sonat will import the gas under short-term and spot market agreements, 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 Sonat 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), an import 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 Sonat to

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

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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. 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. Sonat Marketing Company (Sonat) is authorized to import from Canada, at any point on the international border, up to 100 Bcf of natural gas over a two-year period beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, Sonat shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Sonat shall file with the Office of Fuels Programs, 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 have occurred, Sonat must report monthly total 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether the 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.

D. The first quarterly report required by Paragraph C of this Order is due not later than October 30, 1993, and should cover the period from the date of this Order until the end of the current calendar quarter, September 30, 1993.

Issued in Washington, D.C., on July 14, 1993.

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