

I. DESCRIPTION OF REQUEST

On January 27, 1993, Northern Minnesota Utilities (NMU) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting that the authorization granted in DOE/FE Opinion and Order No. 463 (Order 463) to import, export, and re-import up to a total of 66.43 Bcf of Canadian natural gas over a two-year period ending February 14, 1993, be extended an additional two years, to February 15, 1995.

II. FINDING

The application filed by NMU has been evaluated to determine if the proposed import and export arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of The Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the import and 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 NMU to import, export, and re-import natural gas from and to Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Northern Minnesota Utilities Inc. (NMU) is authorized to import, export, and re-import up to a combined total of 66.43 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first delivery after February 14, 1993. The gas may be imported and exported at any point on the U.S./Canada border.

B. Within two weeks after deliveries begin, NMU 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 or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports/exports authorized by this Order, NMU shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, NMU must report total monthly volumes in Mcf and the average purchase or sales price per MMBtu at the international border. The reports shall also provide the details of each import or 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) point(s) of entry or exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the contract pricing provisions, including 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, 1993, and should cover the period from the date of this order until the end of the current calendar quarter on March 31, 1993.

Issued in Washington, D.C., on February 16, 1993.

Jack S. Siegel
Acting Assistant Secretary
for Fossil Energy