

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
NORTECH ENERGY CORP.) FE DOCKET NO. 93-65-NG
_____)

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

DOE/FE ORDER NO. 819

JULY 13, 1993

I. DESCRIPTION OF REQUEST _____

On June 30, 1993, Nortech Energy Corp. (Nortech) filed an application with the Office of Fossil Energy (FE) 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 and export natural gas from and to Canada. The authorization would allow Nortech to import up to 40 Bcf of Canadian gas into the United States and export up to 40 Bcf of domestic gas to Canada over a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. Nortech, a Texas corporation with its headquarters in Houston, Texas, trades in natural gas and other commodities.2/ Nortech would import and export this gas under spot and short-term sales 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 Nortech 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

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

2/ Nortech previously imported natural gas from Canada under a two-year blanket import and export authorization which expired June 30, 1993. See DOE/FE Opinion and Order No. 417 issued

August 13, 1990 (1 FE Para. 70,343). This prior authorization also approved the import and export of natural gas, including

liquefied natural gas (LNG), from and to Mexico and other countries. On June 30, 1993, Nortech filed an application in FE Docket No. 93-66-NG to renew its DOE blanket authority to import and export natural gas under arrangements with suppliers and customers in Mexico.

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 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 Nortech 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.

ORDER

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

A. Nortech Energy Corp. (Nortech) is authorized to import from Canada up to 40 Bcf of natural gas and to export to Canada up to 40 Bcf of natural gas over a two-year period beginning on the date of the initial import or export delivery, whichever occurs first. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Nortech 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 and exports authorized by this Order, Nortech shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports have been made. If no imports and exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occurred, Nortech 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 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; (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 Ordering 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 ____, 1993.

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

