

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NORTHERN NATURAL GAS COMPANY ) FE DOCKET NO. 94-97-NG  
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ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT AND IMPORT NATURAL GAS  
TO AND FROM CANADA

DOE/FE ORDER NO. 1013

DECEMBER 15, 1994

I. DESCRIPTION OF REQUEST

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On November 22, 1994, Northern Natural Gas Company (Northern) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and

0204-127, for blanket authorization to export up to 16 Bcf and to import up to 16 Bcf of natural gas to and from Canada. The term of the authorization would be for a period of two years beginning on the date of first export or import. Specifically, Northern proposes to export at the U.S./Canada border near Harve, Montana/Willow Creek, Saskatchewan, up to 8 Bcf of domestic natural gas annually for sale in Canada. Northern also requests authorization to import up to 8 Bcf of domestic natural gas annually back into the U.S. for sale or use in Northern's operations, if it is unable to sell those volumes in Canada.

Northern, a Delaware corporation with its principal place of business in Omaha, Nebraska, is a natural gas company engaged in the transportation of natural gas from several areas of the Western U.S. to various end-use markets. The requested authorization would allow Northern to export and to import these volumes under short-term and spot market transactions for its own account, as well as for the accounts of others for which Northern may agree to act as agent. The construction of new pipeline facilities would not be involved.

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

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## II. FINDING

The application filed by Northern has been evaluated to determine if the proposed export/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 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 Northern to export and import natural gas to and 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. Northern Natural Gas Company (Northern) is authorized to export to Canada up to 16 Bcf of natural gas and to import back into the U.S. up to 16 Bcf of natural gas. The term of the authorization is for a period of two years beginning on the date of first export or import.

B. This gas will be exported at the U.S./Canada border near Harve, Montana/Willow Creek, Saskatchewan, and may be imported back into the U.S. at any existing U.S./Canada border

point.

C. Within two weeks after deliveries begin, Northern shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export or import of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas exports and imports authorized by this Order, Northern shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether exports or imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports or imports have been made, a report of "no activity" for that calendar quarter must be filed. If exports occur and volumes are sold in Canada, Northern must report total monthly volumes in Mcf and the average sales price of gas per MMBtu at the international border. The reports shall also provide the details of each 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 exit and 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. If exports occur, but volumes are not sold in Canada, but rather, are transported and

re-imported back into the U.S., Northern does not need to report pricing or marketing information, only the volumes.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1995, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on December 15, 1994.

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Anthony J. Como  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy