

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
KIMBALL ENERGY CORPORATION) FE DOCKET NO. 95-86-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1107

OCTOBER 31, 1995

I. DESCRIPTION OF REQUEST _____

On October 12, 1995, Kimball Energy Corporation (Kimball) 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 up to 75 Bcf of natural gas from Canada. The term of the authorization would be for two years beginning on the date of the first delivery after March 31, 1996.2/ Kimball, a Texas corporation with its principal place of business in Arlington, Texas, requests authority to continue importing the gas under spot and short-term sales arrangements on its own behalf as well as on behalf of others. The specific terms of each import, including price and volume, would be negotiated at arms length in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Kimball 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).

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

2. This is the expiration date of Kimball's existing blanket import authorization granted by DOE/FE Opinion and Order No. 910 dated January 5, 1994 (1 FE 70,922).

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 Kimball 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. 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. Kimball Energy Corporation (Kimball) is authorized to import from Canada up to 75 Bcf of natural gas over a two-year term beginning on the date of first delivery after March 31, 1996. The gas may be imported at any U.S./Canada border point.

B. Within two weeks after deliveries begin, Kimball shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, 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, Kimball 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.

Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Kimball 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1996, and should cover the period from April 1, 1996, until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on October 31, 1995.

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

Office of Fossil Energy