

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NATIONAL FUEL RESOURCES, INC.) FE DOCKET NO. 96-32-NG

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

DOE/FE ORDER NO. 1172

JUNE 7, 1996

I. DESCRIPTION OF REQUEST _____

On May 24, 1996, National Fuel Resources, Inc. (NFR) 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, for blanket authorization to import up to 8 Bcf of natural gas from Canada and to export up to 8 Bcf of natural gas to Canada over a two-year term, beginning on the date of first import or export. NFR, a New York corporation, with its principal place of business in Buffalo, New York, is a marketer of natural gas. NFR is a wholly-owned subsidiary of National Fuel Gas Company. NFR plans to import and export the gas under short-term and spot market arrangements on its own behalf and on the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by NFR has been evaluated to determine if the proposed import/export 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 NFR to import and export natural gas from and to

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

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. National Fuel Resources, Inc. (NFR) is authorized to import up to 8 Bcf of natural gas from Canada and to export up to 8 Bcf of natural gas to Canada over a two-year term beginning on the date of first import or export delivery. This natural gas may be imported and exported at any point on the U.S./Canada border.

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

C. With respect to the natural gas imports and exports authorized by this Order, NFR shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been

made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, NFR must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 the date of this Order until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on June 7, 1996.

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