

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

AQUILA ENERGY MARKETING CORPORATION) FE DOCKET NO. 97-24-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA
AND MEXICO

DOE/FE ORDER NO. 1273

MAY 9, 1997

I. DESCRIPTION OF REQUEST

On March 6, 1997, as amended April 28, 1997, Aquila Energy Marketing Corporation (Aquila) 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 export to Canada up to 200 Bcf of natural gas and to export to Mexico up to 200 Bcf of natural gas, over a two-year period beginning on the date of first delivery. Aquila, a marketer of natural gas, is a Delaware corporation with its principal place of business in Omaha, Nebraska. Aquila is a wholly-owned subsidiary of Aquila Energy Corporation which is a wholly-owned subsidiary of UtiliCorp United Inc. Aquila will export for its own account and as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Aquila has been evaluated to determine if the proposed 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 export of natural gas to nations 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

¹. 15 U.S.C. § 717.b.

granted without modification or delay. The authorization sought by Aquila to export natural gas to Canada and Mexico, nations with which free trade agreements are in effect, meet 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. Aquila Energy Marketing Corporation (Aquila) is authorized to export, up to 200 Bcf of natural gas to Canada and up to 200 Bcf of natural gas to Mexico over a two-year term beginning on the date of the first delivery. This natural gas may be exported any point on the borders of the United States and Canada, and between the United States and Mexico.

B. Within two weeks after deliveries begin, Aquila shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports authorized by this Order, Aquila shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days

following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Aquila must report monthly the following: (1) total volumes in Mcf; (2) the average 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 U.S. transporter(s); and (7) the point(s) of exit.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1997, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1997.

Issued in Washington, D.C., on May 9, 1997.

Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy