

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

UTILICORP UNITED INC.

FE DOCKET NO. 97-107-NG

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

DOE/FE ORDER NO. 1342

DECEMBER 12, 1997

I. DESCRIPTION OF REQUEST

On November 25, 1997, UtiliCorp United Inc. (UtiliCorp) 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 and export up to a combined total of 400 Bcf of natural gas from and to Canada. The term of the authorization would be for a period of two years beginning on January 1, 1998.⁽²⁾ UtiliCorp, a marketer of natural gas, is a Delaware corporation with its principal place of business in Omaha, Nebraska. UtiliCorp states that it will import and export gas for its own account as well as for the account of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by UtiliCorp 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 UtiliCorp 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. UtiliCorp United Inc. (UtiliCorp) is authorized to import and export up to a combined total of 400 Bcf of natural gas from and to Canada over a two-year term beginning January 1, 1998, and ending December 31, 1999. This natural gas may be imported and exported at any U.S./Canada border point.

B. With respect to the natural gas imports and exports authorized by this Order, UtiliCorp shall file with the Office of Natural Gas & Petroleum Import and Export Activities, 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, UtiliCorp 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.

C. Quarterly reports shall be filed with 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, DC 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1998, and should cover the period from January 1, 1998, until the end of the first calendar quarter, March 31, 1998.

Issued in Washington, D.C., on December 12, 1997.

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

1. 1/ 15 U.S.C. § 717b.

2. 2/ UtiliCorp's existing blanket authorization to import and export gas from and to Canada will expire December 31, 1997. See DOE/FE Opinion and Order No. 480 (Order 480) issued February 20, 1991, 1 FE ¶ 70,414. Order 480 was issued to NMU Gas Purchasing Inc., a wholly owned subsidiary of UtiliCorp.