

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

AQUILA CANADA CORP.

FE DOCKET NO. 98-94-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 1442

DECEMBER 03, 1998

I. DESCRIPTION OF REQUEST

On November 24, 1998, Aquila Canada Corp. (Aquila Canada) 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 export up to 200 Bcf of natural gas to Canada. The term of the proposed export authorization would be for two years beginning on the date of the initial delivery. Aquila Canada, a buyer and seller of natural gas, is an Alberta, Canada, corporation with its principal place of business in Alberta, Canada. Aquila Canada would export this gas under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Aquila Canada 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 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 Aquila Canada to export natural gas 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. Aquila Canada Corp. (Aquila Canada) is authorized to export up to 200 Bcf of natural gas to Canada over a two-year term beginning on the date of the initial delivery. This natural gas may be exported at any United States/Canada border point.

B. Within two weeks after deliveries begin, Aquila Canada shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities 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 Canada shall file, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. If no exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Aquila Canada 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); and (7) the point(s) of exit.

D. The notification and reports described in Ordering Paragraphs B and C of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1999, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1998.

Issued in Washington, D.C., on December 03, 1998.

John W. Glynn

Manager, Natural Gas Regulation
Office of Natural gas & Petroleum
Import and Export Activities
Office of Fossil Energy

1. 1. 15 U.S.C. § 717b.