

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NATIONAL FUEL GAS )  
DISTRIBUTION CORPORATION )  
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FE DOCKET NO. 99-03-NG

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

DOE/FE ORDER NO. 1453

JANUARY 21, 1999

## I. DESCRIPTION OF REQUEST

On January 13, 1999, National Fuel Gas Distribution Corporation (National Fuel) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>1/</sup> (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 33,806,349 dekatherm (approximately 33.8 billion cubic feet) of natural gas from and to Canada. National Fuel requests that the authorization be granted for two years beginning on January 28, 1999.<sup>2/</sup> National Fuel, a New York corporation with its principal place of business in Buffalo, New York, is a wholly-owned subsidiary of National Fuel Gas Company. National Fuel intends to import and export the gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by National Fuel 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 National Fuel 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> January 27, 1999, is the expiration date of National Fuel's existing blanket import/export authorization granted by DOE/FE Order No. 1247 on January 31, 1997 (1 FE ¶ 71,362).

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 Gas Distribution Corporation (National Fuel) is authorized to import and export up to a combined total of 33.8 billion cubic feet of natural gas from and to Canada over a two-year term beginning on January 28, 1999, and ending on January 27, 2001. This natural gas may be imported and exported at any United States/Canada border point.

B. With respect to the natural gas imports and exports authorized by this Order, National Fuel 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. 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, National Fuel 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. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1999, and should cover the period from January 28, 1999, until the end of the first calendar quarter, March 31, 1999.

D. The quarterly reports required by Ordering Paragraph B 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.

Issued in Washington, D.C., on January 21, 1999.

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John W. Glynn  
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Office of Natural Gas & Petroleum  
Import and Export Activities  
Office of Fossil Energy