

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

AMERICAN HUNTER ENERGY INC.)
_____)

FE DOCKET NO. 99-103-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1554

DECEMBER 14, 1999

I. DESCRIPTION OF REQUEST

On December 2, 1999, as amended on December 10, 1999, American Hunter Energy Inc. (American Hunter) 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 204-127, for authorization to import from Canada up to 300 Bcf of natural gas over a two-year term, beginning on the date of first delivery.^{2/} American Hunter is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada. American Hunter will import the gas under spot and short-term transactions for its own account, as well as for others for which American Hunter may agree to act as agent. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by American Hunter has been evaluated to determine if the proposed import 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 of natural gas from 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 American Hunter to import natural gas from 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.

^{1/} 15 U.S.C. § 717b.

^{2/} American Hunter's previous blanket authorization to import natural gas from Canada, granted by DOE/FE Order Nos. 1000 and 1000-A dated October 31, 1994, and June 10, 1997 (1 FE ¶ 71,044 and ¶ 71,410 respectively), expired on October 31, 1999.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. American Hunter Energy Inc. (American Hunter) is authorized to import from Canada up to 300 Bcf of natural gas over a two-year term, beginning on the date of first delivery.

B. This natural gas may be imported at any point on the border of the United States and Canada.

C. Within two weeks after deliveries begin, American Hunter shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A has occurred.

D. With respect to the natural gas imports authorized by this Order, American Hunter shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, American Hunter must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each transaction, including: (1) the name of the sellers(s); (2) the name of the purchaser(s); (3) the estimate or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO. : 1901-0294]

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 2000, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 1999.

F. The notification and quarterly reports required by Ordering Paragraphs C and D of this Order shall be filed with the Office of Natural Gas & Petroleum Import & 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 December 14, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy