

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

KIMBALL ENERGY CORPORATION) FE DOCKET NO. 00-22-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1583

APRIL 14, 2000

I. DESCRIPTION OF REQUEST

On April 10, 2000, Kimball Energy Corporation (Kimball) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting authority to continue importing natural gas from Canada beginning on April 1, 2000.^{2/} Kimball is a Texas corporation with its principal place of business in Arlington, Texas. The volumes will be imported by Kimball under short-term sales arrangements on its own behalf as well as the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Kimball 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 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 Kimball 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/} March 31, 2000, was the expiration date of Kimball's previous import authorization granted by DOE/FE Order No. 1365 on March 3, 1998 (1 FE ¶ 71,534).

ORDER

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

A. Kimball Energy Corporation (Kimball) is authorized to import up to 75 billion cubic feet of natural gas from Canada over a two-year term beginning on the April 1, 2000, and extending through March 31, 2002. This natural gas may be imported at any United States/Canada border point.

B. With respect to the natural gas imports authorized by this Order, Kimball shall file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Kimball must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated 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 (by State); (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]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2000, and should cover the period from April 1, 2000, until the end of the second calendar quarter, June 30, 2000.

D. The quarterly report required by Ordering Paragraph B 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 April 14, 2000.

John W. Glynn
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Office of Natural Gas & Petroleum
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