

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
KOCH ENERGY TRADING, INC.) FE DOCKET NO. 00-80-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1639

NOVEMBER 2, 2000

I. DESCRIPTION OF REQUEST

On October 27, 2000, Koch Energy Trading, Inc. (KET) 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 73 Bcf of natural gas over a two-year term, beginning on November 3, 2000.^{2/} KET is an Oklahoma corporation with its principal place of business in Houston, Texas, and a wholly-owned subsidiary of Koch Industries, Inc. KET buys, sells and transports natural gas in several states. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by KET 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 KET to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) 1

^{1/} 15 U.S.C. § 717b.

^{2/} KET currently has blanket import authority granted by DOE/FE Order No. 1429 issued on October 30, 1998, (2 FE ¶ 70,254) which expires November 2, 2000.

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. Koch Energy Trading, Inc. (KET) is authorized to import from Canada up to 73 Bcf of natural gas over a two-year term, beginning on November 3, 2000, and extending through November 2, 2002.

B. This natural gas may be imported at any United States/Canadian border point.

C. With respect to the natural gas imports authorized by this Order, KET 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, KET 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 estimated or actual duration of the agreement(s); (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) whether sales are being made on an interruptible or firm basis; and, if applicable (6) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO. : 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2001, and should cover the period from November 3, 2000, until the end of the fourth calendar quarter, December 31, 2000.

E. The quarterly reports required by Ordering Paragraph C 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 November 2, 2000.

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