

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

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NOVA SCOTIA POWER INC.) **FE DOCKET NO. 01-61-NG**
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**ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA**

DOE/FE ORDER NO. 1728

OCTOBER 30, 2001

I. DESCRIPTION OF REQUEST

On October 16, 2001, Nova Scotia Power Inc. (NSPI) applied to 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 a two-year blanket authorization to import natural gas from, and to export natural gas to, Canada. The quantity involved will not exceed a combined total of 200 billion cubic feet (Bcf). NSPI expects to begin deliveries on November 1, 2001.

NSPI is a corporation organized under the laws of the Canadian Province of Nova Scotia, and has its headquarters in Halifax, Nova Scotia. NSPI is one of three wholly-owned subsidiaries of Emera Inc., a diversified energy and services company, and its principal operating subsidiary. A regulated utility, NSPI generates, transmits, and distributes more than 95 percent of the electricity in Nova Scotia. The company's service territory is made up of approximately 450,000 residential, commercial, and industrial customers.

NSPI intends to use the broad-based authority it seeks to buy and sell natural gas for delivery between the United States and Canada under short-term and spot-market arrangements that will end within two years from the date of its first import or export delivery. The businesses contracting for those supplies would include marketers, local distribution companies, and large-scale industrial end-users. Each transaction will be structured to provide for a market-based price. NSPI plans to conduct business either on its own behalf or as an agent for others. This proposed authorization does not require the construction of new pipeline facilities.

II. FINDING

The application filed by NSPI has been evaluated to determine if the proposed import and 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

^{1/} 15 U.S.C. § 717b.

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 NSPI 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 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. Nova Scotia Power Inc. (NSPI) is authorized to import and export a combined total of 200 Bcf of natural gas from and to Canada. This authority is granted for two years beginning on the date of the initial import or export, whichever occurs first. The natural gas may be imported and exported by pipeline at any crossing point on the international border.

B. Within two weeks after deliveries begin, NSPI will provide written notification of the date that the first import or export authorized in Ordering Paragraph A, above, occurred.

C. With respect to the natural gas imports and exports authorized by this Order, NSPI must file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports will be filed whether or not initial deliveries have begun. 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, NSPI must report the following information: (1) the 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 U. S. 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 will also include this additional information: (1) whether sales are being made on an interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

[OMB No.: 1901-0294]

D. The notice and reports required by Ordering Paragraphs B and C will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

E. The first quarterly report is due not later than January 30, 2002, and should cover the period from the date of this order until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on October 30, 2001.

Thomas W. Dukes
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy