

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

REC'D DOE/FE

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UTILICORP UNITED INC.

FE DOCKET NO. 01-78-NG

**ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA**

DOE/FE ORDER NO. 1739

NOVEMBER 29, 2001

I. DESCRIPTION OF REQUEST

On November 16, 2001, UtiliCorp United Inc. (UtiliCorp) applied to the Office of Fossil Energy (FE) 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 Canada, beginning January 1, 2002. Specifically, UtiliCorp seeks to import up to 200 billion cubic feet (Bcf) of natural gas through short-term and spot market arrangements.

UtiliCorp is a Delaware corporation with its principal office in Omaha, Nebraska. As part of its business, it purchases natural gas from various producers and marketers in Canada and resells that gas to customers within the United States. In DOE/FE Order No. 1561, issued December 28, 1999, UtiliCorp received identical broad-based authority which extended from January 1, 2000, through December 31, 2001.^{2/} Granting a new blanket authorization will enable UtiliCorp to continue importing a like quantity of natural gas for two more years under the same conditions. UtiliCorp will conduct business either as an agent on behalf of its Canadian suppliers and U.S. customers or for its own account. Once again, each sales and purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. The proposed imports involve no new construction or expansion of pipeline facilities.

II. FINDING

This application 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

^{1/} 15 U.S.C. § 717b.

^{2/} 2 FE ¶ 70,445.

Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the importation 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 UtiliCorp 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 supply contracts with terms of no longer than two years.

ORDER

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

A. UtiliCorp United Inc. (UtiliCorp) is authorized to import up to 200 Bcf of natural gas from Canada for two years beginning on January 1, 2002, and extending through December 31, 2003. This gas may enter the United States by pipeline at any international border crossing point.


B. With respect to the natural gas imports authorized by this Order, UtiliCorp will 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 during that quarter. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, UtiliCorp must report the total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports will 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 April 30, 2002, and should cover the period from January 1, 2002, until the end of the first calendar quarter, March 31, 2002.

D. The quarterly reports will 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 27, 2001.



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