

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

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**JONAN ENERGY LTD.** ) ) **FE DOCKET NO. 01-85-NG**  
**(Formerly Jonan Gas Marketing, Inc.)** ) )  
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**ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA**

**DOE/FE ORDER NO. 1748**

**DECEMBER 13, 2001**

## I. DESCRIPTION OF REQUEST

On December 4, 2001, Jonan Energy Ltd. (“Jonan” or “Applicant”) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>1/</sup>, and DOE Delegation Order Nos. 0204-111 and 0204-127, for two-year, blanket authority to import and export natural gas from and to Canada. The quantity involved would not exceed an aggregate of 100 billion cubic feet (Bcf). Jonan requests the authorization begin no later than January 1, 2003.

The Applicant, formerly Jonan Gas Marketing, Inc., is a Nevada corporation with its principal office in Calgary, Alberta, Canada. Jonan operates as a natural gas marketing and trading company primarily in the western United States. It conducts business both on its own behalf and as an agent for others.

When Jonan was known by its previous name, FE authorized it to import and export an identical quantity of natural gas between the United States and Canada on a blanket basis from November 1, 1999, through October 31, 2001.<sup>2/</sup> Each sales and purchase transaction was structured to provide a commodity price that was competitive in the short-term and spot market for natural gas. Granting a new authorization enables Jonan to continue those arrangements for two more years under the same conditions. No new construction or expansion of pipeline transmission facilities will be required.

## II. FINDING

This application 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 importation and exportation 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 Jonan 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,

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> See DOE/FE Order No. 1523 issued October 14, 1999 (2 FE ¶ 70,389). Jonan inadvertently failed to file for new import authority in a timely manner. Nevertheless, FE is approving this application effective November 1, 2001, which immediately follows the expiration date of the previous authorization.

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. Jonan Energy Ltd. (Jonan) is authorized to import and export a combined total of up to 100 Bcf of natural gas between the United States and Canada for two years beginning on November 1, 2001, and extending through October 31, 2003. This natural gas may be delivered at any international border pipeline crossing.

B. With respect to the imports and exports of natural gas authorized by this Order, Jonan will file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports or exports have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Jonan will 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 reports will also include the following information: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Order Paragraph B is due not later than January 30, 2002, and should cover the period from November 1, 2001, until the end of the fourth calendar quarter, December 31, 2001.

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 December 13, 2001.

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Office of Fossil Energy