

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

NATIONAL FUEL GAS DISTRIBUTION)
CORPORATION)

FE DOCKET NO. 02-13-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA

DOE/FE ORDER NO. 1762

MARCH 25, 2002

I. DESCRIPTION OF REQUEST

On March 21, 2002, National Fuel Gas Distribution Corporation (National Fuel) filed an application with 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 authorization to import and export up to a combined total of 33,806,349 dekatherm (approximately 33.8 Bcf) of natural gas from and to Canada over a two-year term beginning on January 28, 2001.^{2/} National Fuel, a New York corporation with its principal place of business located in Buffalo, New York, is a wholly-owned subsidiary of National Fuel Gas Company. National Fuel will import and export the gas under short-term and spot market purchase arrangements, either on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by National Fuel 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 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

^{1/} 15 U.S.C. § 717b.

^{2/} National Fuel's blanket authorization to import and export natural gas granted by DOE/FE Order No. 1453 dated January 21, 1999 (2 ¶ 70,287), expired on January 27, 2001. Although National Fuel did not file for new import and export authority in a timely manner, National Fuel has continued to report to FE the details of each import and export transaction entered into after January 27, 2001. FE is granting this authorization effective January 28, 2001.

sought by National Fuel 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. National Fuel Gas Distribution Corporation (National Fuel) is authorized to import and export up to a combined total of 33.8 Bcf of natural gas from and to Canada. The term of the authority began on January 28, 2001, and extends through January 27, 2003.

B. This natural gas may be imported or exported at any point on the border between the United States and Canada.

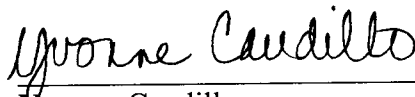
C. With respect to the natural gas imports and exports authorized by this Order, National Fuel shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must 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, National Fuel must report the following: (1) 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 shall also include: (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]

D. The reporting requirements described in 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.

E. The first quarterly report required by Ordering Paragraph C 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.

Issued in Washington, D.C., on March 25, 2002.



Yvonne Caudillo
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy