

UNITED STATES OF AMERICA RECEIVED
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OFFICE OF FOSSIL ENERGY OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

NUMAC ENERGY (U.S.) INC.)
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FE DOCKET NO. 02-12-NG

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

DOE/FE ORDER NO. 1763

MARCH 27, 2002

I. DESCRIPTION OF REQUEST

On March 19, 2002, Numac Energy (U.S.) Inc. (Numac) 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 two-year, blanket authorization to import up to 50 billion cubic feet (Bcf) of natural gas from Canada beginning October 15, 2002. Numac, a Delaware corporation with its principal office in Calgary, Alberta, Canada, explores for and produces natural gas, and then sells it in Canada and the United States. It is a wholly owned subsidiary of Numac Energy Inc., an Alberta corporation also based in Calgary.

In DOE/FE Order No. 1630, Numac received identical, broad-based, blanket authority to import natural gas through short-term and spot market arrangements from October 15, 2000, through October 14, 2002.^{2/} Granting a new authorization will enable Numac to continue importing a like quantity of natural gas for two more years under the same conditions. Once again, Numac will import the natural gas from a variety of Canadian suppliers under purchase contracts that will be negotiated at arms-length. Each sales arrangement with a U.S. customer will be structured to provide a commodity price that is competitive in the marketplace. 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 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

^{1/} 15 U.S.C. § 717b.

^{2/} 2 FE ¶ 70,543 (October 16, 2000).

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 Numac 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. Numac Energy (U.S.) Inc. (Numac) is authorized to import up to 50 Bcf of natural gas from Canada beginning on October 15, 2002, and extending through October 14, 2004. The imports may enter the United States at any international border crossing point.

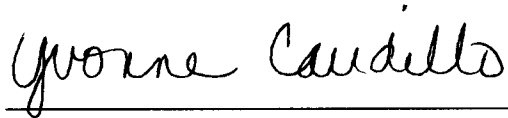
B. With respect to the natural gas imports authorized by this Order, Numac will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made during that quarter. Quarterly reports 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, Numac 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 break down of the contract price.

[OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B is due not later than January 30, 2003, and should cover the period from October 15, 2002, until the end of the fourth calendar quarter, December 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 March 27, 2002.



Yvonne Caudillo
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