

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

NEWPORT NORTHWEST, L.L.C. _____

FE DOCKET NO. 02-24-NG

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

DOE/FE ORDER NO. 1770

APRIL 22, 2002

I. DESCRIPTION OF REQUEST

On April 18, 2002, Newport Northwest, L.L.C. (Newport) 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 and export natural gas from and to Canada, beginning November 1, 2002. Specifically, Newport seeks to import up to 127,750,000 decatherms (Dth) of natural gas and export up to 127,750,000 Dth of natural gas between both countries through short-term and spot market arrangements.^{2/} Newport, a Delaware limited liability company with its headquarters in Newport Beach, California, is involved in power project development. This natural gas will be imported and exported under short-term and spot market transactions with contractual provisions that will be competitive and responsive to prevailing market conditions. Newport will carry on these arrangements either on its own behalf or as an agent for others.

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 Newport 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 supply contracts with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b.

^{1/} One Dth equals approximately 1,000 cubic feet.

ORDER

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

A. Newport Northwest, L.L.C. (Newport) is authorized to import up to 127.75 billion cubic feet (Bcf) of natural gas from Canada, and export up to 127.75 Bcf of natural gas to Canada. This authorization is for two years beginning on November 1, 2002, and extending through October 31, 2004. The natural gas may be imported and exported at any international border crossing point.

B. With respect to the natural gas imports and exports authorized by this Order, Newport 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 of natural gas 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, Newport 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, 2003, and should cover the period from November 1, 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 April 22, 2002.

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