

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NATIONAL FUEL RESOURCES, INC.)
_____)

FE DOCKET NO. 02-37-NG

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

DOE/FE ORDER NO. 1781

MAY 31, 2002

I. DESCRIPTION OF REQUEST

On May 22, 2002, National Fuel Resources, Inc. (NFR) 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 blanket-type authorization to import and export up to a combined total of 50 Bcf of natural gas from and to Canada. The authorization will be for a two-year term beginning June 1, 2002, and extending through May 31, 2004. NFR is a New York corporation with its headquarters in Williamsville, New York and a wholly-owned subsidiary of National Fuel Gas Company. NFR will import and export the natural gas on its own behalf as well as on behalf of suppliers and purchasers for whom NFR will act as agent.

Two years ago, NFR was authorized by FE to import and export an identical quantity of natural gas on a blanket basis for sale in the short-term and spot market. The current authorization expires May 31, 2002.^{2/} Granting a new authorization enables NFR to continue those arrangements for two more years under the same conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by NFR 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 sought by NFR 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.

^{1/} 15 U.S.C. § 717b.

^{2/} See DOE/FE Order No. 1597 issued May 25, 2000 (2 FE ¶ 70,494).

ORDER

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

A. National Fuel Resources, Inc. (NFR) is authorized to import and export up to a combined total of 50 Bcf of natural gas from and to Canada over a two-year term beginning on June 1, 2002, and extending through May 31, 2004.

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, NFR will 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, NFR must report the following information: (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 will also include this additional 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]

D. The reporting requirements described in Ordering Paragraph C 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 2002, and should cover the period from June 1, 2002, until the end of the second calendar quarter, June 30, 2002.

Issued in Washington, D.C., on May 31, 2002.

Clifford P. Tomaszewski
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