UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BOISE CASCADE CORPORATION)	**FE DOCKET NO. 02-42-NG**

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

DOE/FE ORDER NO. 1788

JUNE 14, 2002

I. DESCRIPTION OF REQUEST

On June 11, 2002, Boise Cascade Corporation (Boise) filed with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)[1/], for blanket-type authority to import and export natural gas from and to Canada. Specifically, Boise proposes to import up to five billion cubic feet (Bcf) of natural gas per year from Canada, to subsequently export the same gas back to Canada, and then to re-import this gas into the United States. The authorization will be for two years beginning November 1, 2002, and extending through October 31, 2004.

Boise is a Delaware corporation with its headquarters in Boise, Idaho. It operates paper mill facilities in International Falls, Minnesota. Boise will buy the natural gas from Canadian suppliers, import it into the United States near Warroad, Minnesota, for transit via existing pipeline facilities for a short distance through the northern part of the State, export the gas back to Canada near Baudette, Minnesota, and then re-import it at International Falls. This natural gas will be imported under short-term and spot market arrangements for space heating and to operate equipment at the paper mill. Each purchase transaction will be freely negotiated and structured to provide for a market-based price. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Boise 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 Boise 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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1/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redelegation Order No. 00-002.04 (January 8, 2002).

therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years. Consistent with DOE policy, FE is authorizing Boise to import and export a total of up to 10 Bcf of natural gas over the two-year period and there will be no restriction on the annual volume.

ORDER

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

A. Boise Cascade Corporation is authorized to import and export up to 10 Bcf of natural gas from and to Canada beginning on November 1, 2002, and extending through October 31, 2004. This natural gas will be imported into the United States at Warroad, Minnesota, exported back to Canada at Baudette, Minnesota, and then re-imported at International Falls, Minnesota.

B. With respect to the natural gas imports and exports authorized by this Order, Boise 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, Boise 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 the following: (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 reports required by Ordering Paragraph B of this order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering 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.

Issued in Washington, D.C., on June 14, 2002.

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