

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

IGI RESOURCES, INC.)
_____)

FE DOCKET NO. 02-52-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1799

JULY 29, 2002

I. DESCRIPTION OF REQUEST

On July 24, 2002, IGI Resources, Inc. (IGI) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA), requesting authority to import up to 400 Bcf of natural gas from Canada, over a two-year term beginning on August 1, 2002, and extending through July 31, 2004.^{2/} IGI, an Idaho corporation with its principal place of business in Boise, Idaho, is a wholly-owned subsidiary of BP Energy Inc. IGI is a marketer of natural gas in the western region of the United States. It will import the volumes under short-term arrangements 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 IGI 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 import 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 IGI 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

^{1/} 15 U.S.C. § 717b. The authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.04 (January 8, 2002).

^{2/} July 31, 2002, is the expiration date of IGI's blanket import authorization granted by DOE/FE Order No. 1600 on June 6, 2000 (2 FE ¶ 70,497).

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. IGI Resources Inc. (IGI) is authorized to import up to 400 Bcf of natural gas from Canada, over a two-year term beginning on August 1, 2002, and extending through July 31, 2004.

B. This natural gas may be imported at any United States and Canadian border point.

C. With respect to the natural gas imports authorized by this Order, IGI shall file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, IGI must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall 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 breakdowns of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 2002, and should cover the period from August 1, 2002, until the end of the third calendar quarter, September 30, 2002.

E. The quarterly report required by 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.

Issued in Washington, D.C., on July , 2002.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy