

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SUPERIOR ENERGY MANAGEMENT)

FE DOCKET NO. 02-51-NG

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

DOE/FE ORDER NO. 1800

JULY 31, 2002

I. DESCRIPTION OF REQUEST

On July 15, 2002, Superior Energy Management (SEM) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import up to 200 billion cubic feet (Bcf) of natural gas from Canada for re-export to Canada, and to export up to 200 Bcf of natural gas to Canada over a two-year term beginning on October 1, 2002, and extending through September 30, 2004. SEM is a division of Superior Propane Inc., with its principal place of business in Concord, Ontario, Canada. SEM will import and export the natural gas under spot and short-term purchase arrangements on its own behalf or as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by SEM 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 SEM to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, meets the

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

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.

ORDER

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

A. Superior Energy Management (SEM) is authorized to import up to 200 billion cubic feet (Bcf) of natural gas from Canada for re-export to Canada, and to export up to 200 Bcf of natural gas to Canada over a two-year term beginning on October 1, 2002, and extending through September 30, 2004. This natural gas may be imported or exported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, SEM shall file with 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, SEM must report the following:

(1) total monthly volumes in Mcf; (2) the average 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 United States transporter(s); (7) the point(s) of entry or exit; (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (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 quarterly reports required by Ordering Paragraph B 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2003, and should cover the period from October 1, 2002 until the end of the fourth calendar quarter, December 31, 2002.

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

Clifford P. Tomaszewski
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