

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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KIMBALL ENERGY CORPORATION )  
\_\_\_\_\_)

FE DOCKET NO. 02-66-NG

ORDER GRANTING BLANKET AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1814

OCTOBER 7, 2002

## I. DESCRIPTION OF REQUEST

On October 1, 2002, as supplemented on October 3, 2002, Kimball Energy Corporation (Kimball) 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),<sup>1/</sup> for authorization to import up to 75 Bcf of natural gas from Canada, for a two-year term which began on April 1, 2002, and extends through March 31, 2004.<sup>2/</sup> Kimball is a Texas corporation with its principal place of business in Arlington, Texas. Kimball states it will continue to import the gas under spot and short-term sales arrangements with market responsive terms and conditions. Kimball will act as an agent on behalf of Canadian producers and pipelines and on behalf of domestic purchasers. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Kimball 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 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 Kimball 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 consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redesignation Order No. 00-002.04 (January 8, 2002).

<sup>2/</sup> Kimball's blanket import authorization granted by DOE/FE Order No. 1583 (2 FE ¶ 70,475) issued on April 14, 2002, expired March 30, 2002. As an administrative oversight, Kimball inadvertently did not file in a timely manner, but has continued to file reports with FE.

ORDER

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

A. Kimball Energy Corporation (Kimball) is authorized to import up to 75 Bcf of natural gas from Canada. The term of the authority began on April 1, 2002, and extends through March 31, 2004.

B. This natural gas may be imported at any point on the border between the United States and Canada.

C. With respect to the natural gas imports authorized by this Order, Kimball shall continue to file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not deliveries have been made. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Kimball must report the following: (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 names 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; (8) the geographic market(s) served (by State); (9) whether sales are being made on an interruptible or firm basis; and if applicable, (10) the per unit (MMBtu) demand/commodity/reservation charge breakdowns of the contract price. [OMB No.: 1901-0294]

D. The reporting requirements described in 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.

E. The first quarterly report required by Ordering Paragraph C 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 October 7, 2002.

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