

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

RECEIVED
OCT 29 2002
DOE/OFE/NGR

CANNAT ENERGY INC.)
_____)

FE DOCKET NO. 02-77-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1825

OCTOBER 29, 2002

I. DESCRIPTION OF REQUEST

On October 28, 2002, CanNat Energy Inc. (CanNat) 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 authorization to import from Canada, up to 190 Bcf of natural gas over a two-year term, beginning on December 1, 2002.^{2/} CanNat, a Delaware corporation, is an indirectly wholly-owned subsidiary of Canadian Natural Resources Limited (CNR), with its principal place of business in Calgary, Alberta, Canada. CanNat will purchase the imported gas from CNR, whose general partnership consist of CNR and its wholly-owned subsidiary, CanNat Resources Inc. and resell that gas in the United States. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by CanNat 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 CanNat to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c)

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.4 (January 8, 2002).

^{2/} CanNat's current blanket import authority granted by DOE/FE Order No. 1643 and 1643-A issued on November 8, 2000, and May 24, 2001, respectively (2 FE ¶ 70, 561 and ¶ 70,631) expires November 30, 2002. Order 1643 was originally issued to Sceptre Energy Inc. (Sceptre). Order 1642-A amended that authority to change Sceptre's name to CanNat Energy Inc.

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. CanNat Energy Inc. (CanNat) is authorized to import from Canada, up to 190 Bcf of natural gas over a two-year term, beginning on December 1, 2002, and extending through November 30, 2004.

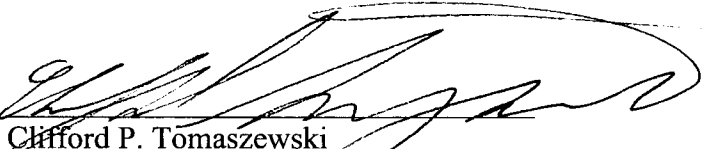
B. This natural gas may be imported at any point on the border of the United States and Canada.

C. With respect to the natural gas imports authorized by this Order, CanNat shall 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. 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, CanNat must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each transaction, including: (1) the name of the sellers(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 January 30, 2003, and should cover the period from December 1, 2002, until the end of the fourth calendar quarter, December 31, 2002.

E. The quarterly reports 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 October ²⁹, 2002.



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