

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

NORTHWESTERN ENERGY, A DIVISION)
OF NORTHWESTERN CORPORATION)

FE DOCKET NO. 02-100-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1846

JANUARY 10, 2003

I. DESCRIPTION OF REQUEST

On December 20, 2002, NorthWestern Energy, a division of NorthWestern Corporation (NWE), 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),^{1/} for blanket authorization to import up to 20 billion cubic feet (Bcf) of natural gas from Canada over a period of two years beginning on February 7, 2003, and extending through February 6, 2005.^{2/} NWE, an electric and natural gas utility, is a Delaware corporation with its principal place of business in Butte, Montana. NWE will import the natural gas under spot and short-term purchase arrangements in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by NWE 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 NWE 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.

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

2/ February 6, 2003, is the expiration date of NWE's current import authorization granted by DOE/FE Order No. 1659 on December 18, 2000 (2 FE ¶ 70,590), as amended by DOE/FE Order No. 1659-A on August 7, 2002 (2 FE ¶ 70,770).

ORDER

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

A. NorthWestern Energy, a division of NorthWestern Corporation is authorized to import up to 20 billion cubic feet (Bcf) of natural gas from Canada over a period of two years beginning on February 7, 2003, and extending through February 6, 2005. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, NWE 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, NWE 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 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic markets(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 breakdown of the contract price.

[OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2003, and should cover the period from February 7, 2003, through the end of the first calendar quarter, March 31, 2003.

D. The 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.

Issued in Washington, D.C., on January 10, 2003.

Clifford P. Tomaszewski
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Import & Export Activities
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