

December 10, 2004

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

DEC 10  
12/22/04

DOMINION EXPLORATION CANADA LTD.

DOCKET NO. 04-132-106

RENEWAL APPLICATION OF DOMINION EXPLORATION CANADA LTD.  
FOR AUTHORIZATION TO IMPORT  
NATURAL GAS FROM CANADA

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, Part 590 of the Regulations of the Department of Energy ("DOE"), Office of Fossil Energy ("FE"), and Section 201 of the Energy Policy Act of 1992 ("Energy Policy Act"), Dominion Exploration Canada Ltd. ("DECL") hereby submits the instant renewal application for blanket authorization to import natural gas from Canada. In support of this application, DECL respectfully shows as follows:

I.  
GENERAL

Correspondence and communications regarding this application should be addressed to the following:

Milt Porter  
CFO, Dominion Exploration Canada Ltd.  
Suite 3200, 605 – 5 Avenue SW  
Calgary, AB T2P 3H5  
Canada  
(403) 298-5512

Rory G. Polson  
Burnet, Duckworth & Palmer  
Barristers and Solicitors  
Suite 1400, 350 – 7 Avenue SW  
Calgary, AB T2P 3N9  
Canada  
(403) 260-0223

II.  
BACKGROUND

Dominion Exploration Canada Ltd. is a corporation organized under the laws of the province of Alberta, with its principal place of business at 3200, 605 – 5 Avenue SW, Calgary, AB, Canada T2P 3H5. DECL is a wholly owned subsidiary of Dominion Energy Canada Limited, with its principal place of business in Calgary, Alberta. Dominion Energy Canada Limited is a wholly owned subsidiary of Dominion Resources

Inc. with its principal place of business in New Orleans, Louisiana. DECL is actually engaged in the business of producing natural gas in Alberta and British Columbia.

### **III.** **AUTHORIZATION REQUESTED**

DECL requests authorization to renew the Blanket Authorization to import from Canada (Order No. 1626 and FE Docket No. 00-60 NG) for a combined total of up to 25 Bcf of natural gas over a two-year term (October 1, 2002 -- September 30, 2004). The requested authorization will enable DECL to continue to participate in short-term or spot-market natural gas transactions with U.S. customers.

DECL's negotiations with prospective customers in the United States are of a continuing nature. Therefore, DECL requests that such import authority be granted on a blanket basis at all existing points of import from Canada to provide DECL with the flexibility necessary to respond quickly to these marketing opportunities. The subject application is similar to other blanket import arrangements approved by DOE.

### **IV.** **PUBLIC INTEREST**

The Energy Policy Act of 1992, provides that the importation and exportation of natural gas from or to a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest, and that applications for such importation and exportation shall be granted without modification or delay. Because DECL's application is for the importation of natural gas from Canada, a nation with which the United States has a free trade agreement, DECL submits that its application is within the public interest.

### **V.** **ENVIRONMENTAL IMPACT**

No new facilities will be constructed in the United States for the proposed importation of natural gas. Consequently, granting this application will not be federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, et seq. Therefore, an environmental impact statement or environmental assessment is not required.

### **VI.** **REPORTING REQUIREMENTS**

With respect to all imports made pursuant to the authorization requested herein, DECL will undertake to file with the DOE / FE in the month following the close of each calendar quarter, reports indicating by month whether imports have occurred, and if so, the details of each transaction, including the total volumes of imports in Mcf and the average price for these imports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration

of the agreements, the name of the U.S. transporter(s), the point of entry, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand / commodity / reservation charge breakdown of the contract price. DECL will notify the DOE / FE in writing of the date of the first delivery of natural gas imported under the requested authorization within two weeks of such delivery.

VII.  
CONCLUSION

WHEREFORE, for the foregoing reasons DECL respectfully requests that the DOE / FE expeditiously consider this renewal application and, pursuant to section 3 of the NGA and section 201 of the Energy Policy Act, grant its request for blanket import authorization. DECL submits that a grant of such authorization would not be inconsistent with the public interest.

Respectfully submitted,

Dominion Exploration Canada Ltd.



Milt Porter  
CFO, Dominion Exploration Canada Ltd.

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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DOMINION EXPLORATION CANADA LTD. )  
\_\_\_\_\_) DOCKET NO. 04-132-NG  
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ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS  
FROM CANADA

DOE/FE ORDER NO. 2063

DECEMBER 30, 2004

## I. DESCRIPTION OF REQUEST

On December 22, 2004, Dominion Exploration Canada Ltd. (DECL) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1</sup> for blanket authorization to import up to 25 billion cubic feet (Bcf) of natural gas from Canada. DECL requests the authorization be granted for a two-year term which will begin on the date of this Order. DECL is an Alberta corporation with its principal place of business in Calgary, Alberta. DECL is a wholly-owned subsidiary of Dominion Energy Canada Limited, which is a wholly-owned subsidiary of Dominion Resources Inc. DECL is engaged in the business of producing natural gas in Alberta and British Columbia. DECL requests authority to import this gas under spot and short-term sales arrangements, on its own behalf as well as on the behalf of others.

## II. FINDING

The application 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. 252-486). 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 DECL 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 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.

ORDER

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

A. Dominion Exploration Canada Ltd. (DECL) is authorized to import up to 25 billion cubic feet of natural gas from Canada. The term of the authority will be for a two-year term beginning on the date of this Order, December 30, 2004, and extending through December 29, 2006.

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

C. With respect to the natural gas imports authorized by this Order, DECL shall file with the Office of Natural Gas Regulatory 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, the report must give details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (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; (8) the geographic market(s) served; and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 30, 2004.



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R.F. Corbin  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy