

RECEIVED
FE DOCKET ROOM

2004 NOV 18 A 11: 24

OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

NATIONAL FUEL GAS DISTRIBUTION CORPORATION)
_____)

DOCKET NO. 04-101-NG

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

DOE/FE ORDER NO. 2047

NOVEMBER 17, 2004

I. DESCRIPTION OF REQUEST

On October 15, 2004, National Fuel Gas Distribution Corporation (National Fuel) 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 and export up to a combined total of 7.2 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on January 28, 2005, and extending through January 27, 2007. National Fuel, a New York corporation with its principal place of business in Buffalo, New York, is a wholly-owned subsidiary of National Fuel Gas Company. National Fuel will import and export the natural gas under short-term and spot market arrangements, either on its own behalf or as the agent for others.

II. FINDING

The application 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 and export of natural gas from and 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 National Fuel to import and export natural gas from and to 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.

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).

ORDER

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

A. National Fuel Gas Distribution Corporation (National Fuel) is authorized to import and export up to a combined total of 7.2 billion cubic feet (Bcf) of natural gas from and to Canada. The term of the authority will begin on January 28, 2005, and extend through January 27, 2007.

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

C. With respect to the natural gas imports and exports authorized by this Order, National Fuel shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and exports 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 and exit; (8) the geographic market(s) served (for imports, by State); 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 April 30, 2005, and should cover the period from January 28, 2005, until the end of the first calendar quarter, March 31, 2005.

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 November 17, 2004.



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