UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PRAIRIELANDS ENERGY MARKETING, INC.) FE DOCKET NO. 92-82-NG

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

DOE/FE ORDER NO. 749

DECEMBER 4, 1992

I. BACKGROUND

On June 25, 1992, Prairielands Energy Marketing, Inc. (Prairielands) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA), requesting blanket authorization to import up to 25 Bcf per year and to export up to 25 Bcf per year of natural gas from and to Canada beginning on the date of first delivery of either imported gas or exported gas, whichever is earlier. Prairielands, a Delaware corporation, has its principal office in Bismarck, North Dakota. Prairielands proposes to import and export natural gas from and to Canada for its own account as well as for the accounts of others. The imported gas would be obtained from a variety of Canadian suppliers for resale in the Great Plains and midwest regions. The gas exported would be obtained from a variety of suppliers, principally in the States of Colorado, Montana, North Dakota, South Dakota and Wyoming for resale to spot market purchasers in Canada.

DOE published a notice of receipt of Prairielands application in the Federal Register on July 29, 1992 inviting protests, motions to intervene, notices of intervention, and comments to be filed by August 28, 1992.1/ No interventions or comments were received.

II. FINDING

The application filed by Prairielands has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements of section 3 of the NGA, as amended

1/ 57 FR 33497.

by section 201 of the Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the importation and exportation 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 Prairielands 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 is therefore consistent with the public interest.

ORDER

For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Prairielands Energy Marketing, Inc. (Prairielands) is authorized to import from and export to Canada, at any point on the international border, up to an aggregate volume of 100 Bcf of natural gas over a two-year term, beginning on the date of the first import or export.

B. Within two weeks after deliveries begin, Prairielands shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Prairielands shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether sales of imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Prairielands must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import or export transaction, including (1) the name of the seller(s); (2) the name of the purchaser(s); (3) estimated or actual duration of the agreement(s); (4) the name of U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served; (7) whether the 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 provisions.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter December 31, 1992.

Issued in Washington, D.C., on December 4, 1992.

Charles F. Vacek
Deputy Assistant Secretary
for Fuels Programs

Office of Fossil Energy