UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NATIONAL STEEL CORPORATION	)	FE DOCKET NO. 94-105-NG

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

DOE/FE ORDER NO. 1017

DECEMBER 30, 1994

I. DESCRIPTION OF REQUEST

On December 29, 1994, National Steel Corporation (NSC) 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/, and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import and export natural gas. NSC is a Delaware corporation with places of business in Minnesota, Illinois, Indiana, and Michigan. Specifically, NSC requests authorization to import up to 125 Bcf of natural gas from Canada into the United States and to export up to 75 Bcf of domestic natural gas to Canada. The term of the authorization would be for two years beginning on the date of the first delivery after December 31, 1994.2/ NSC would import and export this gas under spot and short-term sales arrangements. The imported gas would be used in NSC's steelmaking facilities. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by NSC 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), an import or export of natural gas from or to

1/ 15 U.S.C. 717b.

2/ This is the date NSC's current blanket authorization to import and export natural gas expires. See DOE/FE Order No. 734 issued November 20, 1992 (1 FE 70,707).

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 NSC 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 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. National Steel Corporation (NSC) is authorized to import up to 125 Bcf of natural gas from Canada and to export up to 75 Bcf of natural gas to Canada. This authorization to import and export natural gas is for a period of two years beginning on the date of the initial import or export, whichever occurs first, after December 31, 1994. These transactions may take place at any point on the border of the United States and Canada.

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

C. With respect to the natural gas imports and exports authorized by this Order, NSC shall file with the Office of Fuels

Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, NSC must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports also shall provide the details of each import and export 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 U.S. transporter(s); (5) the point(s) of entry and 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1995, and should cover the period from January 1, 1995, until the end of the first calendar quarter, March 31, 1995.

Issued in Washington, D.C., on December 30, 1994.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs

Office of Fossil Energy