

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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ENCANA MARKETING (USA) INC.

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DOCKET NO. 03-45-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS  
FROM AND TO CANADA AND MEXICO,  
AND IMPORT LIQUEFIED NATURAL GAS FROM  
OTHER COUNTRIES

DOE/FE ORDER NO. 1891

AUGUST 26, 2003

## I. DESCRIPTION OF REQUEST

On August 19, 2003, EnCana Marketing (USA) Inc. (EnCana) 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 and export up to a combined total of 500 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico, and to import liquefied natural gas (LNG) from various international sources. EnCana requests the authorization be granted for a two-year term which began on June 30, 2003.<sup>2/</sup> EnCana is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada. EnCana will import and export the gas on its own behalf or as the agent for others under short-term purchase arrangements negotiated in response to market conditions. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

## 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 nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas, and the import of LNG, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by EnCana to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are 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.

## ORDER

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<sup>1/</sup> 5 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redesignation Order No. 00-002.4 (January 8, 2003).

<sup>2/</sup> EnCana's blanket authorization granted by DOE/FE Order No. 1691 dated June 21, 2001 (2 FE ¶ 70,639), was issued to AEC Marketing (USA) Inc. AEC merged with PanCanadian Energy Corporation on April 8, 2002, and officially changed its name to EnCana.

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

A. EnCana Marketing (USA) Inc. (EnCana) is authorized to import up to a combined total of 500 billion cubic feet (Bcf) of natural gas from Canada and Mexico, and to import liquefied natural gas from other international sources not subject to trading sanctions. The term of the authority began on June 30, 2003, and extends through June 29, 2005.

B. This natural gas may be imported and exported at any point on the borders of the United States and Canada, and the United States and Mexico.

C. The LNG may be imported at any LNG receiving facility in the United States and its territories.

D. With respect to the natural gas imports and exports authorized by this Order, EnCana shall file with the Office of Natural Gas & Petroleum Import & Export 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 the 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); (9) the name(s) of the LNG tankers; (10) the average landed cost per MMBtu of LNG at the point of import; and, if applicable, (11) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

E. The first quarterly report required by this Order is due not later than October 30, 2003, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 30, 2003.

F. The quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import &

Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W.,  
Washington, D.C. 20585.

Issued in Washington, D.C., on August 26, 2003.

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Clifford P. Tomaszewski  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy