

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DIRECT ENERGY MARKETING LIMITED)
_____)

FE DOCKET NO. 03-83-NG

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

DOE/FE ORDER NO. 1928

DECEMBER 08, 2003

I. DESCRIPTION OF REQUEST

On December 3, 2003, Direct Energy Marketing Limited (DEML) 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 500 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term commencing on December 1, 2003, and extending through November 30, 2005. DEML, an Ontario corporation, with its principal office located in Toronto, Ontario, is wholly-owned by Centrica Canada Limited. DEML will import and export the natural gas under spot and short-term purchase transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

Additionally, DEML requests that DOE/FE Order No. 1742 (Order 1742)^{2/}, its current authorization, be vacated since the requested authorization will supersede Order 1742 when it is issued. Order 1742 authorized DEML to import and export up to a combined total of 400 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first delivery.

II. FINDING

The application filed by DEML 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 or export of natural gas from or 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

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelelegation Order No. 00-002.04 (January 8, 2002).

^{2/} 2 FE ¶ 70,698.

the public interest and must be granted without modification or delay. The authorization sought by DEML 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. Direct Energy Marketing Limited (DEML) is authorized to import and export up to a combined total of 500 Bcf of natural gas from and to Canada over a two-year term commencing on December 1, 2003, and extending through November 30, 2005. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, DEML shall file with Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, DEML must report the following: (1) total monthly volumes in Mcf; (2) the average purchase price of gas per 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 or exit; (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an

interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2004, and should cover the period from December 1, 2003, through the end of the fourth calendar quarter, December 31, 2003.

D. 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.

F. The authorization to import and export natural gas from and to Canada pursuant to DOE/FE Order No. 1742 is hereby vacated.

Issued in Washington, D.C., on December 8, 2003.



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