

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PANHANDLE EASTERN PIPE LINE COMPANY) FE DOCKET NO. 93-97-NG
_____)

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

DOE/FE ORDER NO. 871

OCTOBER 28, 1993

I. DESCRIPTION OF REQUEST

On September 16, 1993, Panhandle Eastern Pipe Line Company (Panhandle) 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. 0201-111 and

0204-127, requesting blanket authorization to export and reimport up to 5 billion cubic feet (Bcf) of natural gas annually to and from Canada. The term of the authorization would be for a period of two years beginning on the date of the first export.

Panhandle, a wholly-owned subsidiary of Panhandle Eastern Corporation, is incorporated under the laws of the State of Delaware with its principal place of business in Houston, Texas. Panhandle will export natural gas to Canada for storage and reimport the same gas for delivery to various markets, including local distribution companies, pipeline companies, municipalities and end-users. Panhandle may also utilize this gas for its own system supplies to provide service to its storage customers. The export to reimport proposal would not result in a net export or import. Union Gas Company, Limited (Union) will provide the storage service and transportation from and to the Canadian border for Panhandle. The supplies to be exported and stored are to be redelivered at the interconnection between the facilities of Panhandle and Union at the international border near Detroit, Michigan. The requested authorization does not involve the construction of new pipeline facilities.

1/ 15 U.S.C. § 717b.

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II. FINDING

The application filed by Panhandle has been evaluated to determine if the proposed export/reimport 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 the public interest and must be granted without modification or delay. The authorization sought by Panhandle to export and reimport natural gas to and from 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.

ORDER

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

A. Panhandle Eastern Pipe Line Company (Panhandle) is authorized to export up to 5 billion cubic feet of domestic natural gas annually to Canada and to reimport this natural gas to the United States for a two-year period beginning on the date of the first export. This natural gas may be exported and reimported at the border of the United States and Canada near Detroit, Michigan.

B. Within two weeks after deliveries begin, Panhandle shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas exports and imports authorized by this Order, Panhandle shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether exports or imports of natural gas have been made. If no exports or imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports or imports have occurred, Panhandle must report total monthly volumes in Mcf and the point of exit or entry.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1994, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1993.

Issued in Washington, D.C., on October 28, 1993.

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