

FE DOCKET NO.: 97-37-NG

APPLICANT(S): ENGAGE ENERGY AMERICA L.L.C.

| ITEM | PREPARED OR FILED BY | FILING TYPE | DESCRIPTION OF DOCUMENT | DATED | DATE FILED OR ISSUED |
|------|-----------------------------------|----------------|--|----------|----------------------|
| 1 | COASTAL GAS MARKETING COMPANY ✓ | APPLICATION | Application for Authorization to Import Natural Gas from Canada at St. Clair (Long Term) | 97-04-30 | 97-04-30 |
| 2 | DOE/FE ✓ | ORDER | Order 1282-Granting Long-Term Authority to Import Natural Gas from Canada | 97-06-24 | 97-06-24 |
| 3 | WESTCOAST GAS SERVICES DELAWARE ✓ | CORRESPONDENCE | Letter Requesting DOE Transfer Existing Authority to Import Long Term Authorization from Coastal Gas Marketing Co and Engage Energy US, L.P. | 00-09-21 | 00-09-21 |
| 4 | DOE/FE ✓ | ORDER | Order 1282-A Transferring Long-Term Authority to Import Natural Gas from Canada | 00-09-29 | 00-09-29 |
| 5 | ENGAGE ENERGY AMERICA CORP. ✓ | AMENDMENT | Requesting Transfer of Import Authority from Westcoast Gas Services Inc | 00-11-09 | 00-11-09 |
| 6 | DOE/FE ✓ | ORDER | Order 1282-B Transferring Long-Term Authority to Import Natural Gas from Canada | 00-11-20 | 00-11-20 |
| 7 | ENGAGE ENERGY AMERICA L.L.C. ✓ | AMENDMENT | Requesting Transfer of Import Authority from Engage Energy Amerca Corp. | 01-04-05 | 01-04-05 |
| 8 | DOE/FE ✓ | ORDER | Order 1282-C Transferring Long-Term Authority to Import Natural Gas from Canada | 01-04-19 | 01-04-19 |



Coastal
The Energy People

April 30, 1997

Mr. John Glynn
U.S. Department of Energy
Office of Natural Gas & Petroleum
Import and Export Activities
1000 Independence Avenue, S.W.
FE-53, Room 3H-087
Washington, D.C. 20587

Dear Mr. Glynn:

Pursuant to 10 C.F.R. §590.103(a), enclosed are an original and fifteen (15) copies of two applications: (1) Application of Coastal Gas Marketing Company for an Order Authorizing the Long-Term Importation of Natural Gas from Canada at St. Clair to serve markets off Great Lakes Gas Transmission System and (2) Application of Coastal Gas Marketing Company for an Order Authorizing the Long-Term Importation of Natural Gas from Canada at Niagara Falls to serve markets off National Fuel Gas Supply Corporation and/or Tennessee Gas Pipeline Company. Also enclosed are three (3) additional copies of each application to be date stamped and returned, and a check in the amount of \$100.00 to cover the filing fees.

If you have any questions regarding the enclosed application, please contact me at (202) 331-4665.

Sincerely,

Susan W. Ginsberg

Susan W. Ginsberg
Director, Regulatory Affairs

Enclosures

cc: Sandy MacCulloch

Coastal Gas Marketing Company

A SUBSIDIARY OF THE COASTAL CORPORATION
2000 M ST NW • SUITE 300 • WASHINGTON DC 20036 • 202-466-7430

1997 APR 30 11 00 AM
REG. AFF. DIV.

UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY
OFFICE OF NATURAL GAS & PETROLEUM
IMPORT & EXPORT ACTIVITIES

ORIGINAL

Coastal Gas Marketing Company)

Docket No. FE97-37 NG

APPLICATION OF COASTAL GAS MARKETING COMPANY
FOR AN ORDER AUTHORIZING
THE LONG-TERM IMPORTATION
OF NATURAL GAS FROM CANADA
AT ST. CLAIR

REC'D
DOE/FE
37

Pursuant to Section 3 of the Natural Gas Act (15 U.S.C. & 717b), as amended by Section 201 of the Energy Policy Act of 1992 (P.L. 102-486), the rules and procedures of 10 C.F.R. Part 590, and DOE Delegation Orders No. 0204-111 and 0204-127, Coastal Gas Marketing Company ("CGM", or "Applicant") submits this application for an order authorizing CGM to import natural gas from Canada for transportation on Great Lakes Gas Transmission System ("GLGT") for its overall supply pool to supply markets in the U.S. Midwest and Northeast. CGM requests that this authorization be granted for a term of ten years, commencing November 1, 1998. In support hereof, CGM submits the following:

I.

The exact legal name of Applicant is Coastal Gas Marketing Company. CGM is a corporation organized and existing under the laws of the State of Delaware, and has its principal place of business at 9 Greenway Plaza, Houston, Texas 77046. CGM is engaged in the business of buying and selling natural gas.

II.

All communications concerning this Application should be addressed to:

W.O. Strong III, Esquire
Coastal Gas Marketing Company
9 Greenway Plaza
Houston, Texas 77046-0995

Attorney for Coastal Gas
Marketing Company

Tel: (713) 877-1400
Fax: (713) 877-6714

Susan W. Ginsberg
Director, Regulatory Affairs
Coastal Gas Marketing Company
2000 M Street, N.W.
Suite 300
Washington, D.C. 20036

Tel: (202) 331-4665
Fax: (202) 331-4617

III.

CGM requests authorization from the Office of Fossil Energy, Office of Natural Gas & Petroleum Import & Export Activities to import up to 49 MMcf per day of Canadian natural gas for a period of ten years, commencing on November 1, 1998. The imported gas will be part of the pool of gas from which CGM supplies its Midwest and East Coast markets.

IV.

The gas to be imported will be produced in the Province of Alberta, Canada and supplied by five producer: Canadian Natural Resources Limited (19.6 MMcf/day), Petro-Canada (9.8 MMcf/day), Pinnacle Resources Ltd. (4.9 MMcf/day), Rio Alto Exploration Ltd. (4.9 MMcf/day), and Tarragon Oil & Gas Limited (9.8 MMcf/day). The gas will be received into the NOVA Gas Transmission Ltd. ("NOVA") pipeline system and transported to Empress, Alberta, and NOVA's interconnect with TransCanada Pipelines Limited ("TCPL"). TCPL

will transport the gas to the Canada-U.S. border near St. Clair, Ontario, where the gas will move on GLGT. CGM has requested firm transportation service on TCPL as part of its 1998 Expansion Facilities. CGM has requested firm backhaul transportation on GLGT from St. Clair to various interconnects off Great Lakes in Michigan for a ten-year term coinciding with the term of the requested import authorization.

While St. Clair, Ontario, will be the primary export point for the suppliers' gas, CGM wishes to retain the flexibility to export at other export points should this become desirable from time to time.

V.

The natural gas to be imported under the subject long-term authorization will be used by CGM to serve markets in the U.S. Midwest and Northeast, which consist primarily of local distribution companies, as well as electric generation companies and industrial end users. The natural gas will essentially form part of CGM's portfolio of supply available to serve all of CGM's existing and new markets. At the present time, CGM markets in excess of 500 MMcf/d of natural gas in the U.S. Northeast alone.

VI.

The Energy Policy Act states that the importation and exportation 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, shall be deemed to be consistent with the public interest, and applications for importation and exportation shall be granted without modification or delay." Because CGM's application is for the importation of natural gas from Canada, with which the United States has in effect a free trade agreement, CGM submits that its application meets the public interest.

VII.

CGM confirms its obligation to file with the Office of Fuels Program, Fossil Energy, within thirty (30) days following each calendar quarter, quarterly reports indicating the volumes sold and sales price at the International Border of any imports made.

CGM submits the following Exhibits in support of this application:

- Exhibit A: Opinion of Counsel
- Exhibit B: Regulatory Copy of Gas Purchase Agreement for the U.S. Midwest and Northeast Areas off Great Lakes Gas Transmission Company between Coastal Gas Marketing Company and Producer

WHEREFORE, CGM submits that, for the reasons set forth above, its Application for authorization to import natural gas from Canada is consistent with the public interest, CGM respectfully requests authorization from the Department of Energy to import natural gas

from Canada on GLGT pursuant to the terms and conditions stipulated herein for a period of ten years commencing November 1, 1998.

Respectfully submitted,
COASTAL GAS MARKETING COMPANY



W.O. Strong III, Esquire
Attorney for Coastal Gas
Marketing Company
9 Greenway Plaza
Houston, Texas 77046-0995
Tel: (713) 877-1400

Dated at Houston, Texas,
this 24th day of April, 1997

EXHIBIT A:
Opinion of Counsel



Coastal
The Energy People

W. O. STRONG, III
Senior Staff Attorney

Telephone: (713) 877-7093
Facsimile: (713) 877-6714

April 24, 1997

Mr. Clifford Tomaszewski
U.S. Department of Energy
Office of Fossil Energy
Office of Natural Gas & Petroleum
Import & Export Activities
1000 Independence Avenue, S.W.
Room 3H087
Washington, D.C. 20001

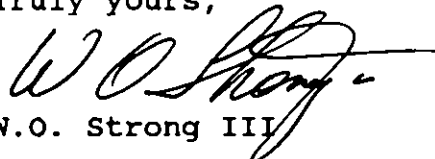
Re: Long-Term Importation of Natural Gas from Canada by
Coastal Gas Marketing Company, Docket No. FE97-__-NG

Dear Mr. Tomaszewski:

As counsel for Coastal Gas Marketing Company ("CGM"), Applicant in the above-referenced proceeding, I have reviewed the Certificate of Incorporation and Bylaws of CGM, and such other documents as I have deemed necessary in order to advise you that:

1. CGM is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own and operate its properties and to carry on its business; and
2. CGM has the requisite corporate authority to import natural gas from Canada.

Truly yours,


W.O. Strong III

Attorney for Coastal Gas
Marketing Company

Coastal Gas Marketing Company

A SUBSIDIARY OF THE COASTAL CORPORATION
COASTAL TGWEP • NINE GREENWAY PLAZA • HOUSTON TX 77046-0995 • 713 877-1400

EXHIBIT B:

Regulatory Copy of Gas Purchase Agreement
for the U.S. Midwest and Northeast Areas
of Great Lakes Gas Transmission Company
between Coastal Gas Marketing Company and Producer



September 3, 1996

Producer
Address Line
Calgary AB

Attention: Marketing Department

RE: GAS PURCHASE AGREEMENT FOR THE U.S. MIDWEST AND NORTHEAST AREAS OFF OF GREAT LAKES GAS TRANSMISSION COMPANY ("GREAT LAKES") BETWEEN COASTAL GAS MARKETING COMPANY ("Buyer") AND PRODUCER ("Seller")

To confirm our recent agreement, this letter ("Letter") outlines the general terms and conditions to which our companies (the "Parties" hereto) have agreed with respect to the subject netback purchase arrangement. The overall nature of the arrangement is that Buyer shall market certain volumes of Seller's gas, under a netback price arrangement, in the U.S. Midwest and Northeast to various customers of Buyer as designated by Buyer, including affiliates of Buyer, or alternatively Buyer itself if previously agreed to by the Parties ("Customers").

Buyer is in the process of obtaining, for subsequent reassignment to Seller, firm transportation capacity for the gas subject to this Letter as follows:

- (i) Buyer has requested firm transportation service on TransCanada PipeLines Limited ("TCPL") from Empress, the interconnect between TCPL and NOVA Corporation ("NOVA"), to St. Clair, Ontario, the interconnect with TCPL of Great Lakes Gas Transmission Company ("Great Lakes") for the term provided herein ("TCPL Service"). The Parties acknowledge that the subject TCPL Service will be part of TCPL's facilities application for expansion of facilities for an in-service date estimated to be November 1, 1998 ("TCPL 1998 Expansion Facilities") and an estimated expiry of October 31, 2008.
- (ii) Buyer has requested firm backhaul transportation on Great Lakes from St. Clair, Ontario to various interconnects off of Great Lakes in the state of Michigan. The term of the Great Lakes' service is ten (10) years from November 1, 1998 through October 31, 2008 ("Great Lakes Service").
- (iii) Of such TCPL Service (including any interim service) and Great Lakes' Service, Buyer will allocate to Seller _____ $10^3 M^3$ per day of TCPL Service (equal to the MDQ hereunder before addition of Fuel Gas as outlined in Section 5) and _____ MMBtu/day of Great Lakes Service (collectively referred to as "Seller's Allocated Transport Capacity").

Coastal Gas Marketing Canada

A DIVISION OF COASTAL CANADA PETROLEUM INC.

ROYAL BANK BUILDING • SUITE 1450 • 335 8TH AVE. S.W. • CALGARY, AB T2P 1C9 • 403/760-2600 • FAX 403/760-3822
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1. **Conditions Precedent and Date of First Delivery**

The "Date of First Delivery" shall be the latter of November 1, 1998 and the first day of the month immediately following the month in which the last of the following conditions precedent is satisfied.

- (i) Buyer and Seller shall have obtained all regulatory licences (short term is acceptable if long term is not required by the National Energy Board of Canada), removal permits (short term is acceptable if a long term permit is not required by regulators), U.S. import authorizations (including state and local authorization as applicable), necessary in Buyer's sole opinion to complete this transaction all collectively referred to as the "Regulatory Authorizations".
- (ii) Buyer shall have obtained TCPL Service, or a portion thereof, in order to commence deliveries.
- (iii) Buyer shall have obtained Great Lakes' Service, or a portion thereof, in order to commence deliveries.
- (iv) In the event that Buyer has not obtained or waived all conditions precedent prior to November 1, 1998, either Buyer or Seller may on or before December 31, 1998 give notice to terminate this Letter by giving the other Party prior written notice of termination to be effective January 31, 1999, which termination is conditional on these conditions precedent not being satisfied prior to January 31, 1999.

2. **Term**

(a) This Letter shall be effective as of the date executed by Seller, with delivery and purchase obligations estimated to commence November 1, 1998 and shall be subject to the ongoing availability of the TCPL Service. Subject to the provisions hereunder, this Letter shall remain in effect for a primary "Term" of approximately ten (10) years extending through to the termination date of the TCPL Service, which is expected to be October 31, 2008.

(b) Buyer is participating in TCPL's 1998 firm transportation service open season. In the event TCPL is unable to provide TCPL Service on November 1, 1998, the commencement of the delivery and purchase obligations hereunder shall be delayed to coincide with the obtaining of all conditions precedent under Section 1. The delivery and purchase obligations hereunder shall commence with the actual TCPL in-service date for the TCPL Service hereunder.

(c) The "Contract Year(s)" shall be from the first day of November of a calendar year through the following calendar year's thirty-first day of October. The first Contract Year shall commence on the Date of First Delivery and end on the first date of October 31 thereafter.

3. **Volume**

(a) The Maximum Daily Quantity ("MDQ") shall be _____ 10^3m^3 per day PLUS associated fuel, line loss and shrinkage on TCPL ("Fuel Gas") and is based on the volume TCPL Capacity.

(b) Gas volumes resold by Buyer shall be sold as either "Spot Gas" (all volumes other than Term Gas) or as "Term Gas" (long term sales arrangements to Customers with a term greater than thirty-one (31) days). For Term Gas, the specific terms and conditions of each Term Gas arrangement must be approved by Seller (verbal approval from Seller shall be acceptable) prior to the commencement of the subject Term Gas arrangement.

4. **Delivery Point**

The "Delivery Point" shall be at NOVA's Empress border delivery station at the inlet to TCPL.

5. **Resale Point**

The "Resale Point" shall be various delivery points off of Great Lakes or TCPL.

6. **Netback Revenues**

(a) Buyer shall pay Seller by cheque or wire transfer (as directed by Seller) on or before the twenty-fifth day (or the next business day if the twenty-fifth is not a banking business day) of each month succeeding the month of gas delivery, "Netback Revenues" associated with gas sold at the Resale Point determined by Buyer from the following calculation:

The Netback Revenues shall be calculated by using the volume weighted average price per MMBtu received by Buyer from Customers for both Spot Gas and Term Gas deliveries during the preceding month ("Resale Price") MINUS (i) all transportation costs from the Delivery Point to the Resale Point that are incurred by Buyer on behalf of Seller for the delivery of the Spot and Term Gas including, without limitation, fixed and variable charges, penalties (unless caused solely by Buyer), fees and taxes; MINUS (ii) the Operations Fee; MINUS (iii) the Price Incentive Fee; MINUS (iv) all reasonable third party expenses incurred by Buyer to deliver, or cause to be delivered, the gas hereunder (including pipeline financial guarantees, transaction costs associated with financial derivatives agreed to by Seller and costs imposed by a government or regulatory authority); MINUS (v) any hedging losses; PLUS (vi) any hedging gains and MINUS (vii) any costs associated with Replacement Gas obtained to replace gas not available from Seller, for any reason other than those excused by Force Majeure.

Where Operations Fee and the Price Incentive Fee shall be determined as follows:

- The "Operations Fees" shall be _____

- A "Price Incentive Fee" shall be applied to all volumes requested by Buyer at the Delivery Point and shall be determined with the following table:

| | | |
|--|--|--|
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| | | |

- Where the "Michigan Price" shall be the weighted average price received by Buyer from Customers at the Resale Point for both Spot Gas and Term Market Gas minus all transportation costs, if any, downstream of the Resale Point (calculated per MMBtu) associated with such sales. The purpose of this calculation is to determine a deemed price for Seller's gas hereunder at the Resale Point (at a Great Lakes interconnect point with downstream pipeline facilities).

- Where the "Michigan Monthly Index" shall be the average of the midpoints of the monthly price indices for Consumers Power large and small end-users and MichCon large and small end-users as published by Gas Daily in their Monthly Contract Index under the subtitle "Citygate Prices".

(b) In the event that Seller desires to hedge its revenues hereunder utilizing financial derivative products, then upon such notification to Buyer, the Parties shall endeavor to (but shall not be obligated to) mutually agree upon such derivatives pricing as it applies to the Resale Point. Upon mutual agreement and provided that Buyer can secure contracts or swap transactions to implement such hedge, the resulting monthly hedging gain and/or loss shall be accounted for in the Netback Revenue calculation.

(c) The price for Spot Gas shall be the average price received by Buyer from Customers for Spot Gas transactions at the Resale Point.

(d) For a period starting November 1, 1998 and ending two (2) years after termination of this Letter, Seller shall have audit rights to review those records of Buyer's business related to the purchase or resale of gas hereunder to review Buyer's calculation of the Netback Revenues. No

adjustment in any payment made will be made or allowed unless such claim is brought within two (2) years of the date payment was due.

7. Transportation

(a) Buyer and Seller shall operate this netback arrangement utilizing firm transportation to the Delivery Point and from the Delivery Point to the Resale Point. Seller shall obtain, hold and operate all NOVA transportation necessary to the Delivery Point. Buyer shall obtain, hold and operate the Seller's Allocated Transport Capacity pursuant to the agency provisions herein.

(b) Buyer shall arrange for the subject TCPL Service and Great Lakes' on behalf of Seller. Buyer shall then endeavor to permanently assign Seller's Allocated Transport Capacity to Seller (and Seller shall accept such permanent assignment), and thus Seller is intended to become the primary shipper of record with TCPL and Great Lakes. The permanent assignment of Seller's Allocated Transport Capacity shall be effected by the Parties immediately on Buyer's receipt of each of the TCPL Service and the Great Lakes' Service executing TCPL's and Great Lakes' respective standard assignment and novation agreement(s) for Seller's Allocated Transport Capacity in accordance with TCPL's and Great Lakes' respective standard procedures. Such assignments shall be at the transportation rate in effect in the assignor's contract with each pipeline.

(c) Seller shall be responsible for, and do all things necessary to satisfy TCPL's and Great Lakes' credit requirements for Seller's Allocated Transport Capacity. In the event Seller is unable to satisfy TCPL's and/or Great Lakes' credit requirements, then Buyer shall provide creditworthiness to TCPL and/or Great Lakes, as applicable, in such form as Buyer determines appropriate and deduct the actual and/or allocated cost of such credit arrangements from the Netback Revenues.

(d) Upon Seller executing a precedent agreement or a transportation service agreement or taking permanent assignment of Seller's Allocated Transport Capacity, Seller shall appoint Buyer as agent to operate Seller's Allocated Transport Capacity for the Term hereunder ("Transport Agency"). Such Transport Agency shall be effected by the Parties forthwith executing a letter addressed to each of TCPL and Great Lakes, (from Seller) in the form attached hereto. Such Transport Agency shall appoint Buyer as Seller's agent to operate Seller's Allocated Transport Capacity. In such capacity as Seller's agent, Buyer shall place all nominations, manage fuel and inventory accounts and associated imbalances, receive all pipeline statements including invoices, and make payments to each of TCPL and Great Lakes, all on Seller's behalf. Subject to any early termination hereunder, the Parties shall do all things to ensure the Transport Agency remains in effect for the Term hereunder.

(e) In the event that Buyer is unable for any reason to make the permanent assignment or Seller fails to take or qualify for such permanent assignment of the subject TCPL capacity and/or the subject Great Lakes capacity, for any reason, then Buyer shall hold the Seller's Allocated Transport Capacity (or just the TCPL portion, or just the Great Lakes portion, as the case may be) on behalf of Seller; and pursuant to the terms and conditions of this Letter, Seller shall indemnify and hold Buyer harmless for all costs and charges that are associated with the obligations assumed by Buyer for Seller's Allocated Transport Capacity (or just the TCPL portion, or just the Great Lakes portion, as the case may be).

(f) The Parties acknowledge that Buyer shall have no rights and/or obligations with respect to Seller's Allocated Transport Capacity for the period beyond October 31, 2008. If buyer is the permanent shipper of record for any portion of Seller's Allocated Transport Capacity pursuant to section 7(e) above, then, effective November 1, 2008, Seller shall permanently assign the subject transportation capacity to Buyer (and Buyer shall accept such permanent assignment). Such permanent assignment shall be effected by the Parties executing TCPL's, and Great Lakes' respective standard assignment and novation agreements in accordance with TCPL's, and Great Lakes' then current respective standard procedures. Such assignments shall be at the transportation rate in effect in the assignor's contract with each respective pipeline. For greater certainty, Seller shall act in accordance with Buyer's directions with respect to renewal rights on TCPL and Great Lakes.

8. Seller's Supply Assurances

(a) Seller shall deliver each day at the Delivery Point the quantity of gas requested by Buyer up to the MDQ. In the event Seller fails to deliver the quantity requested by Buyer (a "Delivery Default"), Seller shall indemnify Buyer for all incremental costs in acquiring replacement volumes ("Replacement Gas") including any costs incurred by customers of Buyer affected by such Delivery Default in acquiring replacement volumes and delivery of same to Buyer's Customers. Buyer and Seller shall cooperate to minimize any incremental costs associated with such Replacement Gas.

(b) Seller shall actively support Buyer's and TCPL's applications to the applicable regulatory bodies and shall demonstrate sufficient supply to such regulatory bodies (including without limitation the E.U.B. and the N.E.B.) as may be necessary to: (i) obtain any Regulatory Authorizations including, without limitation, a Long Term Alberta Removal Permit; (ii) successfully support TCPL's facilities application; and (iii) obtain, separately or in conjunction with Buyer, a Long Term Export License.

(c) Seller shall be responsible for all costs for evaluating and testifying to Seller's reserves, deliverability and supply as required in connection with Buyer or Seller obtaining and maintaining the Seller's Allocated Transport Capacity and the Regulatory Authorizations.

9. **Buyer's Take Commitment**

(a) With respect to Term Gas, the take commitment shall be as outlined in the relevant Schedule "A". With respect to Spot Gas, Buyer shall use all reasonable commercial efforts to maintain purchases hereunder at one hundred percent (100%) load factor. Furthermore, unless Seller in a notice in writing directs Buyer to the contrary, Buyer shall use all reasonable commercial efforts to ensure any quantities not requested hereunder as Term Gas are resold as Spot Gas at the Resale Point.

(b) Buyer shall, in good faith, provide Term Gas opportunities to all members of the St. Clair Group on an equitable basis. This equitable basis shall incorporate their then current volumes of Spot Gas which are available for dedication to a potential Term Gas arrangement. With respect to Spot Gas, Buyer shall, in good faith, treat all members of the St. Clair Group equitably. For the purposes hereunder the "St. Clair Group" means the group of producers who are selling gas to Buyer under agreements with Buyer which are substantially similar to this Letter in all material commercial terms and conditions.

(c) In addition to the provisions of subsection 9 (a) above, subject to relief for Buyer due to Force Majeure, Buyer shall request, and purchase if available, a "Minimum Annual Volume" equal to ninety-five percent (95%) MULTIPLIED BY the MDQ, MULTIPLIED BY the number of days in the relevant Contract Year. In the event Buyer fails to request the Minimum Annual Volume ("Take Default"), then for the resulting "Shortfall Volume", Buyer shall indemnify Seller for the theoretical opportunity costs associated with replacement market(s) at the Resale Point. The per unit opportunity cost to be applied to the Shortfall Volume shall be the positive difference, if any, between the arithmetic average of the Michigan Price hereunder for the subject Contract Year, MINUS the arithmetic average of the Michigan Monthly Index prices for the subject Contract Year.

(d) The greater of the volume initially requested by Buyer and the volume actually delivered pursuant to that request shall be used in determining whether Buyer has satisfied any take obligations hereunder.

(e) It is recognized that Buyer is selling gas in the same market area and to some or all of the same customers for its own account and/or for the account of others not in the St. Clair Group and thus Buyer shall not be Seller's agent or fiduciary with respect to which particular markets Seller's gas is sold at the Resale Point.

10. Force Majeure

(a) Events beyond the reasonable control of either Party and shall constitute "Force Majeure". Without limiting the generality of the foregoing, Force Majeure shall specifically include curtailments of NOVA delivery service at Empress, curtailments of the TCPL Service, curtailments of the Great Lakes Service, curtailments of transportation service downstream of the Resale Point affecting the gas hereunder, and events of Force Majeure declared by Buyer's Customers not within the reasonable control of Buyer hereunder.

(b) In the event of Force Majeure, pursuant to the nature of this netback arrangement, Seller shall indemnify Buyer for all costs associated with any unutilized capacity, or the mitigation thereof, from the Delivery Point to the Resale Point associated with Seller's Allocated Transport Capacity. In the event of Force Majeure declared by Seller, Seller shall provide Buyer with a prorata share of Seller's Alberta gas supply (excluding specific reserves that are contractually dedicated to third parties), unless there is curtailment of firm service by NOVA at the Empress Border in which case Seller shall provide Buyer with a prorata share of Seller's deliveries at Empress. In the event of Force Majeure declared by Buyer, then Buyer, shall use commercially reasonable efforts to provide Seller with Spot Gas markets. Lack of funds or inability to pay shall not constitute an event of Force Majeure.

11. Arbitration

In the event that (a) there is a dispute between the Parties with respect to the calculation of the Netback Revenues; or (b) there is a material change in government regulations such that the purposes of this Agreement are frustrated; or (c) the Parties are unable to agree on a replacement for a price index used herein that is no longer available, then such matter shall be subject to binding arbitration. Upon written notice of a request for arbitration by either Buyer or Seller, the Parties shall use the British Columbia Commercial Arbitration Act and the services of the British Columbia Arbitration Center to select a single independent arbitrator. The arbitration shall be "baseball" arbitration wherein the arbitrator shall select either the Seller's or the Buyer's final offer. The Arbitrator shall select the offer that best reflects the netback arrangement contemplated by the Parties; i.e., an index price for gas at the Resale Point as described hereunder net of all costs, expenses and fees from the Delivery Point to the Resale Point.

12. Seller's Right to a Third Party Purchaser

In the event Buyer is unable to sell Seller's Spot Gas at the Resale Point, then subject to Buyer's consent, which consent shall not be unreasonably withheld, Seller may direct Buyer to resell Seller's gas to a "Third Party Purchaser" at the Resale Point. In such event, such sale to a Third Party Purchaser shall not compromise or frustrate Buyer's right to request Term Market Gas.

Revenue received by Buyer for such sale to the Third Party Purchaser shall be deemed to be a Spot Gas sale.

13. Replacement of Price Indices if Indices are No Longer Published or Available

In the event the monthly price indice references agreed to hereunder cease to exist or are no longer published, the Parties will meet within twenty (20) days of a written request by either Party to determine a replacement price index for the specific index or indices, which must be replaced. If agreement on a new monthly price indice is not reached within sixty (60) days then the matter will be submitted to Arbitration in accordance with Section 11. Any change shall be effective as of the date the subject monthly price indice reference was no longer available.

14. Sole Remedy and Limitation on Damages

The remedies outlined hereunder for Buyer and/or Seller's failure to perform their respective delivery and receipt obligations are Buyer's and Seller's sole remedies. Furthermore, neither Buyer nor Seller shall be liable to the other for any consequential, incidental or punitive damages resulting from a breach of this Letter.

15. Seller's Right to Suspend Delivery and Then Terminate in the Event of Failure To Pay

If the failure to pay an undisputed amount continues for five (5) consecutive business days after the day payment is due and such late payment is not the fault of Seller, then Seller, in addition to any other remedy hereunder, may immediately suspend further deliveries of gas under this Letter, until the overdue amount inclusive of interest is fully paid. If failure to pay continues for an additional five (5) business days after the suspension is in effect, then Seller may terminate this Letter immediately

16. Buyer's Right to Suspend Purchases and Then Terminate in the Event of a Sustained Failure to Deliver

If a Delivery Default is experienced for more than ten (10) consecutive days or fifteen days in aggregate during a Contract Year, then Buyer, in addition to any other remedy hereunder, may suspend purchases from Buyer hereunder until further notice, in which case Seller shall indemnify Buyer for incremental costs associated with obtaining Replacement Gas for the duration of such suspension. Alternatively, at Buyer's sole discretion, Buyer may terminate this Letter at any time during such period of suspension.

17. Measurement and Conversions

(a) All gas to be delivered hereunder shall be measured as to volume, quality and heating value by TCPL in accordance with the provisions set out in TCPL's tariff, in effect from time to time, at the meters installed, operated and maintained by TCPL at the Delivery Point and the heating value of the delivered gas shall be determined by instruments operated by TCPL. The measurements and all other volume, quality and heating value measurements as made by TCPL shall be accepted by the Parties and utilized for all purposes of this Letter.

(b) All gas to be delivered hereunder shall be measured as to volume, quality and heating value by Great Lakes in accordance with the provisions set out in Great Lakes' tariff, in effect from time to time, at the meters installed, operated and maintained by Great Lakes at the Resale Point and the heating value of the delivered gas shall be determined by instruments operated by Great Lakes. The measurements and all other volume, quality and heating value measurements as made by Great Lakes shall be accepted by the Parties and utilized for all purposes of this Letter.

(c) All conversions to be done for or in relation to this Letter from imperial units of measurement to metric units or vice versa shall be done by utilizing the conversion utilized by TCPL from time to time at the Delivery Point.

18. Regulatory Authorization Costs

Each Party shall be responsible for its own third party expenses associated with obtaining the Regulatory Authorizations, subject to the following:

- (i) Seller shall be responsible for all costs associated with evaluating and testifying to matters pertaining to its supply;
- (ii) Buyer shall be responsible for all costs associated with describing and testifying to matters pertaining to the downstream transportation and end-use of the gas hereunder;
- (iii) Buyer shall be responsible for all costs associated with obtaining the U.S. Import Authorizations;
- (iv) Seller shall be responsible for all costs associated with obtaining the Alberta E.U.B. Removal Permit;
- (v) Buyer shall determine Seller's prorata share of all third party costs associated with the N.E.B. processes for both the TCPL facilities expansion and the long term Export Licence (for the TCPL Service hereunder). Seller shall then immediately on receipt of an invoice reimburse Buyer

such share of the common third party costs, however in no event shall the cost reimbursed by Seller under this subsection (v) be greater than _____.

19. Other

(a) Each of the Parties shall from time to time and at all times after the date of this Letter, on reasonable written request to do so, do all such further acts and execute and deliver, or cause to be done, executed or delivered all such further acts, deeds, documents, assurances and things as may be reasonably required in order to fully perform and to more effectively implement and carry out in the terms of this Letter.

(b) This Letter outlines the general terms of our agreement. The Parties agree to replace this Letter with a more comprehensive agreement (the "Formal Contract"). The Formal Contract will contain other standard terms and conditions commonly found in long term gas supply arrangements.

(c) Until this Letter is replaced with the Formal Contract, this Letter shall be the contract between the Parties.

Agreed to by Producer this _____ day of _____, 1996.

COASTAL GAS MARKETING COMPANY

PRODUCER

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

Per: _____

Per: _____

Name: _____

Name: _____

Title: _____

Title: _____

October 31, 1996

TransCanada PipeLines Limited
111 5th Avenue SW
Calgary AB T2P 4K5

To Whom it May Concern:

RE: APPOINTMENT OF SHIPPER'S AGENT FOR FIRM TRANSPORTATION SERVICE CONTRACT DATED _____ BETWEEN TRANSCANADA PIPELINES LIMITED ("TCPL") AND PRODUCER ("SHIPPER") FOR FIRM TRANSPORTATION SERVICE FROM EMPRESS TO ST. CLAIR

Pursuant to the "Gas Purchase Agreement" dated September 3, 1996, effective November 1, 1998 and continuing for the term of the Gas Purchase Agreement, Shipper hereby appoints Coastal Gas Marketing Company ("Coastal") as it's duly authorized Agent. This Agency appointment shall terminate coincident with the termination of the Gas Purchase Agreement. Shipper shall notify TCPL in writing prior to any termination of this Agency appointment.

As Shipper's Agent, Coastal will place all receipt and delivery nominations on Shipper's behalf, manage Shipper's fuel and inventory accounts and associated imbalances, receive all pipeline statements including invoices, and make payments to TCPL on Shipper's behalf. All relevant correspondence, statements and verbal communication from TCPL in this regard will be directed to Coastal at the following address:

Coastal Gas Marketing Company
c/o Coastal Gas Marketing Canada
a division of Coastal Canada Petroleum Inc.
1650 335 8 Avenue SW
Calgary AB T2P 1C9
Attention: DEBBIE WHITE
Coordinator, Transport Services
Phone Number: (403) 750-2606
Fax Number: (403) 750-2622

With respect to this Agency appointment, all relevant correspondence, statements and verbal communication should be directed to Shipper at the following address:

Producer.
Address Line
Calgary AB
Attention:

Phone Number: (403)
Fax Number: (403)

Yours very truly,
PRODUCER

Per: _____

Name: _____

Title: _____

Agreed to by **COASTAL GAS MARKETING COMPANY** this ____ day of _____, 1997.

Per: _____

Name: _____

Title: _____

Acknowledged by **TRANSCANADA PIPELINES LIMITED** this ____ day of _____, 1997.

Per: _____

Name: _____

Title: _____



REC'D DOE/FE

1997 JUN -5 P 5:11

via facsimile

June 5, 1997

Ms. Allyson Reilly
U.S. Department of Energy
Office of Natural Gas & Petroleum
Import and Export Activities
1000 Independence Avenue, S.W.
FE-53, Room 3H-087
Washington, D.C. 20587

RE: Coastal Gas Marketing Company, Docket No. FE97-37-NG

Dear Ms. Reilly:

This letter is to clarify the markets to be served in the above-referenced application of Coastal Gas Marketing Company for an Order Authorizing the Long-Term Importation of Natural Gas from Canada at St. Clair. The application initially states that the supply pool will serve markets in the U.S. Northeast, yet later refers to East Coast markets. To avoid any confusion over markets, this letter clarifies that the supply pool will serve markets in the U.S. Northeast.

Should you have any questions regarding the application, please contact me at (202) 331-4665.

Truly yours,

Susan W. Ginsberg
Director, Regulatory Affairs

cc: Sandy MacCulloch

Coastal Gas Marketing Company

A SUBSIDIARY OF THE COASTAL CORPORATION
2000 M ST NW • SUITE 300 • WASHINGTON DC 20536 • 202/466-7430



REC'D DOE/FE

1997 JUN -5 P 5:11

FROM: WASHINGTON, DC REGULATORY LAW DIVISION DATE: 6-5-97
TELECOPY: (202) 331-4617

DESTINATION: DOE NUMBER: 586-6050

TO: Allyson Reilly

FROM: Susan Ginsberg

NUMBER OF PAGES: 2 (INCLUDING THIS COVER SHEET)

IF THIS FAX TRANSMISSION IS INCOMPLETE, PLEASE CONTACT:

Susan AT (202) 331-4665

COMMENTS:

Sorry for the delay in getting this
to you. Susan

CONFIDENTIALITY/PRIVILEGE NOTICE: This message is intended only for the use of the individual or entity designated above and contains information that is an attorney work product, subject to the attorney-client privilege or is confidential. You are hereby notified that any dissemination, distribution, copying or use of or reliance upon the information contained in and transmitted with this facsimile transmission by or to anyone other than the recipient designated above by the sender is not authorized and strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return it to the sender by U.S. Mail, or destroy it if authorization is granted by the sender. Thank you.

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DOE/FE

1997 A 9 CB

COASTAL GAS MARKETING COMPANY

FE DOCKET NO. 97-37-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1282

JUNE 24, 1997

I. DESCRIPTION OF REQUEST

On April 30, 1997, as supplemented on June 5, 1997, Coastal Gas Marketing Company (CGM) 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, for authorization to import up to 49 MMcf per day of Canadian natural gas for a ten-year term beginning on November 1, 1998. CGM, a Delaware corporation with its principal place of business in Houston, Texas, intends to purchase the imported natural gas from five Canadian producers: Canadian Natural Gas Resources (19.6 MMcf per day); Petro-Canadian (9.8 MMcf/day); Pinnacle Resources Ltd. (4.9 MMcf per day); Rio Alto Exploration Ltd. (5 MMcf per day); and Tarragon Oil & Gas Limited (9.8 MMcf per day) (collectively the Suppliers) pursuant to the terms of letter agreements dated September 3, 1996^{2/} (Letter Agreements). The Letter Agreements between CGM and these five Suppliers provide for a netback pricing arrangement under which CGM pays a price based on average monthly revenues, minus transportation charges and other fees/expenses. The imported natural gas will become part of CGM's supply portfolio to serve CGM's existing and new markets in the U.S. Midwest and U.S. Northeast markets. These markets consist principally of local distribution companies, electric generation companies, and

^{1/} 15 U.S.C. § 717b.

^{2/} CGM and the Suppliers are negotiating formal contracts to replace the Letter Agreements.

industrial end-users. CGM presently markets in the U.S. Northeast in excess of 500 MMcf/d of natural gas.

The gas to be imported will be produced in the Province of Alberta, Canada, and transported by the NOVA Gas Transmission Ltd. (NOVA) pipeline system to Empress, Alberta, where NOVA interconnects with TransCanada PipeLines Limited (TCPL).^{3/} TCPL will transport the gas to the U.S./Canadian border near St. Clair, Michigan, to the interconnect of TCPL and Great Lakes Gas Transmission System (GLGT). In addition, CGM anticipates transporting the imported gas through a backhaul arrangement with GLGT to various interconnects in the State of Michigan.^{4/}

Although St. Clair is the primary import point, CGM also requests the flexibility to import the gas at other border points.

II. FINDING

The application filed by CGM has been evaluated to determine if the proposed import arrangement meets the public interest requirements 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 importation of natural gas from a nation with which there is in effect a free trade agreement requiring

^{3/} CGM has requested firm transportation on TCPL from Empress, Alberta, to St. Clair, Michigan. The TCPL transportation is part of its expansion project with an in-service date of November 1, 1998.

^{4/} CGM has requested firm backhaul transportation on GLGT from St. Clair, Michigan, to various interconnects within the State.

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 CGM to import natural gas 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. Coastal Gas Marketing Company (CGM) is authorized to import up to 49 MMcf per day of Canadian natural gas for a ten-year term, beginning on November 1, 1998, under the terms and conditions of the letter agreements dated September 3, 1996, with Canadian Natural Gas Resources, Petro-Canada, Pinnacle Resources Ltd., Rio Alto Exploration Ltd. and Tarragon Oil & Gas Limited. This natural gas may be imported near St. Clair, Michigan, or at alternative border points where transportation facilities are accessible to CGM.

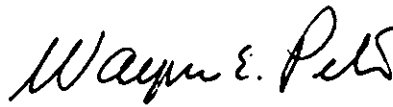
B. At such time the letter agreements with the five Canadian producers have been replaced with formal gas purchase contracts, CGM shall file them with the Office of Natural Gas & Petroleum Import and Export Activities within 30 days of their execution. CGM shall also file a copy of its firm 10-year backhaul transportation agreement with Great Lakes Gas Transmission Company once finalized.

C. Within two weeks after deliveries begin, CGM shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above has occurred.

D. With respect to the natural gas imports authorized by this Order, CGM shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this Order. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, CGM must report by month, the volumes in Mcf by supplier and the average purchase price of gas per MMBtu delivered at the international border and paid to Canadian Natural Gas Resources, Petro-Canada, Pinnacle Resources Ltd., Rio Alto Exploration Ltd, and Tarragon Oil & Gas Limited. Whenever imports have occurred at an entry point other than St. Clair, Michigan, these volumes and prices must be reported separately. The monthly price information shall itemize separately the demand and commodity charges, fuel charges, and if applicable, reservation fees. In addition, CGM shall provide to the extent possible, a breakdown of the import volume showing the amount sold in each State and to each of its customers.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1999, and should cover the period from November 1, 1998, until the end of the fourth calendar quarter, December 31, 1998.

Issued in Washington, D.C. on June ~~24~~, 1997.



Wayne E. Peters
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy



September 12, 2000

Mr. John Glynn
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

RE: Docket No. FE95-104-NG, Coastal Gas Marketing Company
Docket No. FE96-52-NG, Coastal Gas Marketing Company
Docket No. FE97-03-NG, Coastal Gas Marketing Company
Docket No. FE97-36-NG, Coastal Gas Marketing Company
Docket No. FE97-37-NG, Coastal Gas Marketing Company
Docket No. FE97-48-NG, Engage Energy US, L.P.

Dear Mr. Glynn:

Pursuant to 10 C.F.R., Part 590.405, Engage Energy US, L.P. ("Engage") requests that the above-referenced long-term gas import authorizations be transferred from the current holder to Westcoast Gas Services Delaware (America) Inc. ("WGSIDelaware"). The authorizations granted to Coastal Gas Marketing Company were not transferred to Engage when the limited partnership was formed. However, Engage has continued to report import volumes on a quarterly basis for these dockets.

Engage is a Delaware limited partnership owned by CGM, Inc.; WGSIDelaware; and Westcoast Delaware U.S.A. WGSIDelaware is a Delaware corporation, with its principal place of business to be located in Southfield, Michigan. WGSIDelaware is a wholly-owned subsidiary of Westcoast Gas Services (America) Inc., which ultimately is owned by Westcoast Energy Inc., a major Canadian natural gas company based in Vancouver, British Columbia. Effective October 1, 2000, Engage will be transferring some of the partnership interests to WGSIDelaware. The above-referenced authorizations are part of the assets to be transferred, subject to approval from the Department of Energy.

In accordance with 10 C.F.R., Part 590, Engage is submitting a check for \$300, which represents the \$50 fee per application. Should you have any questions regarding the requested transfer, please call me at (202) 331-4665.

Truly yours,

Susan W. Ginsberg
Director, Regulatory Affairs

REC'D DOE/FE
2000 SEP 21 P

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

DOE/FE
10/1/00 P 4:03

WESTCOAST GAS SERVICES)
DELAWARE (AMERICA) INC.)
(Successor to Coastal Gas Marketing Company)
and Engage Energy US, L.P.))

FE DOCKET NO. 97-37-NG

ORDER TRANSFERRING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

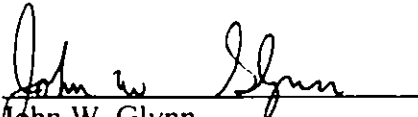
DOE/FE ORDER NO. 1282-A

On June 24, 1997, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted long-term authorization to Coastal Gas Marketing Company (CGM) in DOE/FE Order No. 1282 ^{1/} (Order 1282) to import from Canada up to 49 MMcf per day of natural gas for a ten year period beginning on November 1, 1998.

On September 21, 2000, the Office of Fossil Energy was notified by Engage Energy US, L.P.(Engage), (successor to CGM), a Delaware limited partnership owned by CGM, Inc., Westcoast Gas Services Delaware (America) Inc. (WGS Delaware), and Westcoast Delaware U.S.A., that effective October 1, 2000, it will be transferring some of its partnership interests to WGS Delaware. Engage is requesting that the import authorization issued in Order 1282 be transferred from CGM to WGS Delaware.

Accordingly, pursuant to section 3 of the Natural Gas Act, the import authorization granted by DOE/FE Order No. 1282 is transferred from Coastal Gas Marketing Company to Westcoast Gas Services Delaware (America) Inc. All terms and conditions in Order 1282 shall remain in full force and effect.

Issued in Washington, D.C., on September 29, 2000.



John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy

ENGAGE

November 8, 2000

Via Courier

Office of Fuels Programs
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Attention: Mr. John Glynn, Manager, Natural Gas Regulation

Re: Name Change for the following Long-term Import Authorizations:

DOE/FE Order No. 1128 Docket No. FE 95-104 NG, WGSJ Delaware
DOE/FE Order No. 1202 Docket No. FE 96-52 NG, WGSJ Delaware
DOE/FE Order No. 1253 Docket No. FE 97-03 NG, WGSJ Delaware
DOE/FE Order No. 1275 Docket No. FE 97-36 NG, WGSJ Delaware
DOE/FE Order No. 1282 Docket No. FE 97-37 NG, WGSJ Delaware
DOE/FE Order No. 1332 Docket No. FE 97-48 NG, WGSJ Delaware

REC'D DOE/FE
NOV 11 9 10:44

Dear Mr. Glynn:

Pursuant to 10 C.F.R., Part 590.405, Engage Energy America Corp. ("Engage America") successor to Westcoast Gas Services Delaware (America) Inc. ("WGSJ Delaware"), respectfully requests that the name of the current holder of the above referenced long-term Import Authorizations be changed to the new entity, Engage Energy America Corp.

Engage America is a Delaware Corporation with its principal place of business in Southfield, Michigan. All communications and correspondence concerning the above referenced authorizations should be addressed to Ms. Josie Verellen, Engage Energy America Corp, c/o Engage Energy Canada, L.P., Suite 1100, 421 - 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9. Facsimile: (403) 269-5909.

Engage America is submitting a Cheque for US\$350.00 payable to the Treasurer of the United States, which represents the \$50 filing fee per application. If further information or documentation is required in support of this request, please contact me at (403) 297-1479.

Yours truly,

ENGAGE ENERGY AMERICA CORP.


Josie M. Verellen, Engage Energy Canada, L.P.
Regulatory Administrator

cc: Patricia French, Manager, Regulatory Affairs

Enclosure - Cheque \$350.00 US

Engage Energy America Corp. 3000 Town Center, Suite 2800, Southfield, MI 48075
Phone: (248) 304-3200 Fax: (248) 304-3242

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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

RECD DOE/FE
2001 11 30 A 9:38

ENGAGE ENERGY AMERICA CORP.)
(Successor to Westcoast Gas Services)
Delaware (America) Inc.)

FE DOCKET NO. 97-37-NG

ORDER TRANSFERRING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1282-B

On June 24, 1997, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted long-term authorization to Coastal Gas Marketing Company (CGM) in DOE/FE Order No. 1282 ^{1/} (Order 1282) to import from Canada up to 49 MMcf per day of natural gas for a ten year period beginning on November 1, 1998.

On September 29, 2000, FE transferred the long-term import authorization granted in Order 1282 from CGM to Westcoast Gas Services Delaware (America) Inc. (WGSI).^{2/}

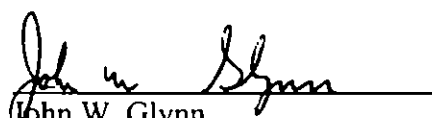
On November 9, 2000, Engage Energy America Corp.(Engage America), a successor to WGSI and a Delaware corporation with its principal place of business in Southfield, Michigan, requested that FE change the name on the import authorization issued in DOE/FE Order No.1282-A to Engage America.

^{1/} 1 FE ¶ 71,419.

^{2/} DOE/FE Order No.1282-A.

Accordingly, pursuant to section 3 of the Natural Gas Act, the long-term import authorization granted by DOE/FE Order No. 1282, as amended in DOE/FE Order No. 1282-A, is transferred from Westcoast Gas Services Delaware (America) Inc. to Engage Energy America Corp. All terms and conditions of Order 1282, as amended, shall remain in full force and effect.

Issued in Washington, D.C., on November 20, 2000.


John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy



March 20, 2001

Via Courier

Office of Fuels Programs
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, D.C. 20585

REC'D DOE/FE
MAR 21 10 19 2001

Attention: Mr. John Glynn, Manager, Natural Gas Regulation

Re: Name Change for the following 6 Long-term Import Authorizations & one Blanket:

- DOE/FE Order No. 1128 Docket No. FE 95-104 NG, Engage Energy America Corp.
- DOE/FE Order No. 1202 Docket No. FE 96-52 NG, Engage Energy America Corp.
- DOE/FE Order No. 1253 Docket No. FE 97-03 NG, Engage Energy America Corp.
- DOE/FE Order No. 1275 Docket No. FE 97-36 NG, Engage Energy America Corp.
- DOE/FE Order No. 1282 Docket No. FE 97-37 NG, Engage Energy America Corp.
- DOE/FE Order No. 1332 Docket No. FE 97-48 NG, Engage Energy America Corp.

Blanket: DOE/FE Order No. 1622 Docket No. FE 00-58 NG, Engage Energy America Corp.

Dear Mr. Glynn:

Pursuant to 10 C.F.R., Part 590.405, Engage Energy America L.L.C. ("Engage America") successor to Engage Energy America Corp. formerly Westcoast Gas Services Delaware (America) Inc., respectfully requests that the name of the current holder of the above referenced long-term Import Authorizations be changed to the new entity **Engage Energy America L.L.C.**

Engage America is a Delaware Corporation with its principal place of business in Southfield, Michigan. All communications and correspondence concerning the above referenced authorizations should be addressed to Ms. Josie Verellen, Engage Energy America L.L.C., c/o Engage Energy Canada, L.P., Suite 1100, 421 - 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9. Facsimile: (403) 269-5909.

Engage America is submitting a Cheque for US\$350.00 payable to the Treasurer of the United States, which represents the \$50 filing fee per application. If further information or documentation is required in support of this request, please contact me at (403) 297-1479.

Yours truly,

ENGAGE ENERGY AMERICA L.L.C.

Josie M. Verellen, Engage Energy Canada, L.P.
Regulatory Administrator

cc: Patricia French, Manager, Regulatory Affairs

Enclosed - Cheque \$350.00 US

Engage Energy Canada, L.P. 1100, 421 7th Ave. S.W., Calgary, Alberta, Canada T2P 4K9

Phone: (403) 297-0333 Fax: (403) 269-5909

H:\US DOE\doc\Letters\Name Change_6 Long Term_formerly Coastal's Orders.doc

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 03:00 PM 12/27/2000
001682523 - 2709610

**CERTIFICATE OF CONVERSION
OF
ENGAGE ENERGY AMERICA CORP.
INTO A LIMITED LIABILITY COMPANY**

**UNDER SECTION 18-214
OF THE LIMITED LIABILITY COMPANY ACT**

Engage Energy America Corp., a Delaware corporation, hereby certifies as follows:

FIRST: Engage Energy America Corp. was duly formed and its original certificate of incorporation was filed with the Secretary of State of Delaware on January 7, 1997.


SECOND: The name of the entity prior to conversion is: Engage Energy America Corp.

THIRD: The name of the Delaware Limited Liability Company as set forth in its Certificate of Formation is: Engage Energy America LLC.

FOURTH: The effective date of the conversion to a Delaware Limited Liability Company shall be at the close of business on December 29, 2000.

IN WITNESS WHEREOF, this certificate has been subscribed this 27th day of December, 2000, by the undersigned who affirms the statements made herein are true under penalties of perjury.

ENGAGE ENERGY AMERICA CORP.

By: 
Name: David G. Unruh
Title: Director

State of Delaware
Office of the Secretary of State

PAGE 2

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "ENGAGE ENERGY AMERICA LLC" FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF DECEMBER, A.D. 2000, AT 3 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF FORMATION IS THE TWENTY-NINTH DAY OF DECEMBER, A.D. 2000.



Edward J. Freel

Edward J. Freel, Secretary of State

2703410 8100V

001652523

AUTHENTICATION: 0883657

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 03:00 PM 12/27/2000
001632523 - 2703410

CERTIFICATE OF FORMATION
OF
ENGAGE ENERGY AMERICA LLC

This Certificate of Formation of Engage Energy America LLC (the "LLC"), dated as of December 27, 2000, is being duly executed and filed by Timothy J. McCourt, an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. §18-101, et seq.).

- FIRST:** The name of the limited liability company is Engage Energy America LLC.
- SECOND:** The address of its registered office in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801. The name of its Registered Agent at such address is The Corporation Trust Company.
- THIRD:** The effective date of this Certificate of Formation shall be at the close of business on December 29, 2000.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

By: /s/ Timothy J. McCourt
Timothy J. McCourt
Authorized Person

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ENGAGE ENERGY AMERICA L.L.C.)
(Successor to Engage Energy America Corp.))
_____)

FE DOCKET NO. 97-37-NG

ORDER TRANSFERRING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1282-C

On June 24, 1997, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted long-term authorization to Coastal Gas Marketing Company (CGM) in DOE/FE Order No. 1282^{1/} (Order 1282) to import from Canada up to 49 MMcf per day of natural gas for a ten year period beginning on November 1, 1998.

On September 29, 2000, FE transferred the long-term import authorization granted in Order 1282 from CGM to Westcoast Gas Services Delaware (America) Inc. (WGSJ).^{2/}

On November 9, 2000, FE transferred the long-term import authorization granted in Order 1282 from WGSJ to Engage Energy America Corp.^{3/}

On April 5, 2001, Engage Energy America L.L.C., a successor to Engage Energy America Corp. and a Delaware corporation with its principal place of business in Southfield, Michigan, requested that FE change the name on the import authorization issued in Order

^{1/} 1 FE ¶ 71,419.

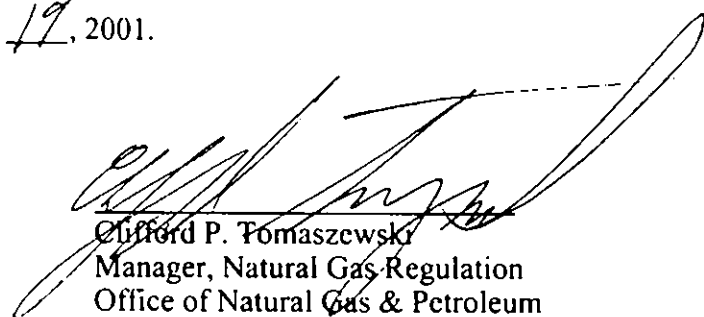
^{2/} DOE/FE Order No.1282-A.

^{3/} DOE/FE Order No.1282-B.

No.1282 to Engage Energy America L.L.C.

Accordingly, pursuant to section 3 of the Natural Gas Act, the long-term import authorization granted by DOE/FE Order No. 1282, as amended in DOE/FE Order No. 1282-A and DOE/FE Order No. 1282-B, is transferred from Engage Energy America Corp. to Engage Energy America L.L.C. All terms and conditions of Order 1282, as amended, shall remain in full force and effect.

Issued in Washington, D.C., on April 19, 2001.



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