

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

COENERGY TRADING COMPANY

FE DOCKET NO. 98-16-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 1364

FEBRUARY 27, 1998

I. DESCRIPTION OF REQUEST

On February 26, 1998, CoEnergy Trading Company (CTC) filed an application, as amended, 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 export up to 100 billion cubic feet (Bcf) of natural gas to Canada over a two-year term beginning on March 1, 1998.⁽²⁾ CTC, a natural gas marketer, is a Michigan corporation with its principal place of business in Detroit, Michigan. This gas would be exported under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by CTC has been evaluated to determine if the proposed 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 exportation of natural gas 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 CTC to export natural gas 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. CoEnergy Trading Company (CTC) is authorized to export to Canada up to 100 billion cubic feet (Bcf) of natural gas over a two-year term beginning on March 1, 1998, and expiring on February 29, 2000. This gas may be exported at any point on the United States/Canada border.

B. With respect to the natural gas exports authorized by this Order, CTC shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, CTC must report monthly the following: (1) total 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 U.S. transporter(s); and (7) the point(s) of exit.

C. The reporting requirements stipulated by Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1998, and should cover the period from March 1, 1998, until the end of the first calendar quarter March 31, 1998.

Issued in Washington, D.C., on February 27, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ February 28, 1998, is the expiration date of CTC's existing blanket export authorization granted by DOE/FE Order No. 1113 dated November 1, 1995 (1 FE ¶ 71,193).