

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PANHANDLE EASTERN PIPE LINE COMPANY)

FE DOCKET NO. 99-75-NG

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

DOE/FE ORDER NO. 1532

OCTOBER 21, 1999

I. DESCRIPTION OF REQUEST

On October 12, 1999, 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. 0204-111 and 0204-127, for blanket authorization to export and reimport from and to Canada up to 5 billion cubic feet (Bcf) of natural gas over a two-year term beginning on the date of first delivery after October 31, 1999.^{2/} Panhandle is an Oklahoma corporation, with its principal place of business in Oklahoma City, Oklahoma. Panhandle, an indirect wholly-owned subsidiary of CMS Energy Corporation, is incorporated under the laws of the state of Delaware and has its principal place of business in Houston, Texas. Panhandle is principally engaged in the business of transporting and storing natural gas, subject to the jurisdiction of the Federal Energy Regulatory Commission and will export and reimport natural gas from and to Canada for purposes of storage and redelivery to various markets, including local distribution companies, pipelines, municipalities and end-users. Panhandle may utilize this service for its own system balancing supplies and also to provide service to its storage. Union Gas Company, Limited (Union) will provide storage facilities. Panhandle will utilize existing pipeline and storage facilities and 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 between the U.S. and Canada located near Detroit, Michigan and Windsor, Ontario, Canada. The requested authorization does not involve the construction of new pipeline facilities.

^{1/} 15 U.S.C. § 717b.

^{2/} This is the expiration date of Panhandle's current blanket authorization, granted by DOE/FE Order No. 1302 on September 30, 1997 (1 FE ¶ 71,456).

II. FINDING

The application filed by Panhandle has been evaluated to determine if the proposed export and 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 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. Panhandle Eastern Pipe Line Company (Panhandle) is authorized to export and reimport from and to Canada up to 5 Bcf of natural gas over a two-year term beginning on the date of first delivery after October 31, 1999. This natural gas may be exported or reimported at any point on the international border of the United States and Canada.

B. Within two weeks after deliveries begin, Panhandle shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first 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 Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports or imports

of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. 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 the total monthly volumes in Mcf and the point of entry or exit.

D. The notification and quarterly reports required by Ordering Paragraphs B and C of this Order 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2000, and should cover the period from November 1, 1999 until the end of the fourth calendar quarter, December 31, 1999.

Issued in Washington, D.C., on October 21, 1999.

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