

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
DIRECT ENERGY MARKETING INC) FE DOCKET NO. 99-100-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1552

DECEMBER 9, 1999

I. DESCRIPTION OF REQUEST

On November 17, 1999, Direct Energy Marketing Inc. (DEMI) 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, requesting blanket authorization to import up to 200 Bcf of natural gas from Canada over a two-year term beginning on February 1, 2000, and extending through January 31, 2002.^{2/} DEMI, a Delaware corporation with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Direct Energy Marketing Limited. DEMI requests authority to import this gas under spot and short-term sales arrangements, on its own behalf as well as on behalf of others. The specific terms of each import, including price and volume, would be negotiated at arms length in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by DEMI has been evaluated to determine if the proposed import 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 importation of natural gas from 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 DEMI to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets

^{1/} 15 U.S.C. § 717b.

^{2/} DEMI's blanket import authorization granted by DOE/FE Opinion and Order No. 1341 on December 12, 1997, expires January 31, 2000 (1 FE ¶ 71,499).

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 Inc. (DEMI) is authorized to import from Canada, at any point on the international border, up to 200 Bcf of natural gas over the two-year term, effective February 1, 2000, through January 31, 2002.

B. With respect to the natural gas imports authorized by this Order, DEMI shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, DEMI must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. Quarterly reports shall be filed with 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2000, and should cover the period from February 1, 2000, until the end of the first calendar quarter, March 31, 2000.

Issued in Washington, D.C., on December 9, 1999.

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