

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TRANSCANADA GAS SERVICES INC.)
_____)

FE DOCKET NO. 00-81-NG

**ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT
NATURAL GAS FROM CANADA AND EXPORT
NATURAL GAS TO CANADA AND MEXICO**

DOE/FE ORDER NO. 1638

OCTOBER 30, 2000

I. DESCRIPTION OF REQUEST

On October 30, 2000, TransCanada Gas Services Inc. (TGS Inc.) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 700 billion cubic feet (Bcf) of natural gas from Canada and to export up to a combined total of 300 Bcf of natural gas to Canada and Mexico over a two-year term beginning no later than October 31, 2000.^{2/} TGS Inc. is a marketer of natural gas with its principal place of business in Calgary, Alberta. TGS Inc. will import and export the gas under short-term and spot market purchase arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by TGS Inc. has been evaluated to determine if the proposed import/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 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 TGS Inc. to import natural gas from Canada, and to export natural gas to Canada and Mexico, nations with which free trade agreements are 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.

^{1/} 15 U.S.C. § 717b.

^{2/} October, 31 2000, is the expiration date of TGS Inc.'s import/export authorization granted by DOE/FE Order No. 1424 on October 26, 1998 (2 FE ¶ 70,245).

ORDER

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

A. TransCanada Gas Services Inc. (TGS Inc.) is authorized to import up to 700 billion cubic feet (Bcf) of natural gas from Canada and to export up to a combined total of 300 Bcf of natural gas to Canada and Mexico over a two-year term beginning on November 1, 2000, and extending through October 31, 2002. This natural gas may be imported and exported at any United States border point between Canada and Mexico.

B. With respect to the natural gas imports and exports authorized by this Order, TGS Inc. shall file with the Office of Natural Gas & Petroleum Import & Export Activities within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, TGS Inc. must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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 United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2001, and should cover the period from November 1, 2000, until the end of the fourth calendar quarter, December 31, 2000.

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

Issued in Washington, D.C., on October 30, 2000.

John W. Glynn
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Office of Natural Gas & Petroleum
Import & Export Activities
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