

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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ENGAGE ENERGY CANADA, L.P.  
(The successor to Westcoast Gas Services Inc.)

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FE DOCKET NO. 94-76-NG

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

DOE/FE ORDER NO. 994-A

On October 27, 1994, Westcoast Gas Services Inc. (WGSI) received authority from the Department of Energy (DOE) in DOE/FE Order No. 994 (Order 994) to import up to 949 Mcf per day of natural gas from Canada, at Monchy, Saskatchewan.<sup>1/</sup> The gas is delivered from the international border through the transmission facilities of Northern Border Pipeline Company. The imports were approved for nine years from November 1, 1994, through November 1, 2003. WGSI, as agent for Northwestern Public Service Company (NPSC),<sup>2/</sup> purchased the imported gas from several Canadian producers to serve customers in South Dakota.

On November 9, 2000, Engage Energy Canada, L.P. (Engage Canada) notified DOE that it had succeeded WGSI and requested the transfer of WGSI's import authority so it might continue the activities authorized under Order 994. Originally, Engage Canada was a subsidiary of Engage Energy, a partnership of Westcoast and The Coastal Corporation, formed in 1997.

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<sup>1/</sup> See 1 FE ¶ 71,037. At that time, WGSI was a Canadian marketing company and a wholly-owned subsidiary of Westcoast Energy Inc. (Westcoast)

<sup>2/</sup> NPSC is a South Dakota local distribution company.

Engage Canada was established, among other things, to succeed to WGSi's import commitment to NPSC.<sup>3/</sup> All assets of WGSi were transferred to the new entity and all contractual arrangements entitle Engage Canada to carry on the business of WGSi.

Accordingly, pursuant to section 3 of the Natural Gas Act, the authorization to import natural gas from Canada conferred by Order 994 is transferred from WGSi to Engage Canada effective on the date of this order. Engage Canada is bound by all terms and conditions set forth in Order 994, including the filing of quarterly data.

Issued in Washington, D.C., on December 08, 2000.

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John W. Glynn  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
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<sup>3/</sup> In 1997, Westcoast and Coastal formed Engage Energy (Engage) as a joint venture to offer a full spectrum of energy services, including, among other things, natural gas marketing and trading, electricity trading and sales, and energy management services. Westcoast, headquartered in Vancouver, British Columbia, is a leading North American energy company and Coastal is a Houston, Texas, based energy holding company. On October 2, 2000, Westcoast and Coastal terminated their Engage Energy partnership and divided the operations into separate entities to be owned and operated independently by each company. Under the restructuring, Westcoast acquired 100% ownership and control of Engage's Canadian business entity, Engage Canada, of Calgary, Alberta, and Coastal retained Engage's U.S. business entity, Engage Energy US, L.P. (now called "Coastal Merchant Energy, L.P."), with headquarters in Houston. In the United States, Westcoast established Engage Energy America Corp., a 100% owned affiliate headquartered in Southfield, Michigan, to manage its U.S. gas and power contracts.

Engage Canada (now solely owned by Westcoast) has operated under Order 994 since 1997, although it did not ask DOE until this filing to transfer WGSi's import authority to reflect the dissolution of WGSi.