

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DYNEGY POWER MARKETING, INC.)
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FE DOCKET NO. 01-33-NG

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

DOE/FE ORDER NO. 1693

JUNE 25, 2001

I. DESCRIPTION OF REQUEST

On June 22, 2001, Dynegy Power Marketing, Inc. (Dynegy) 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 a combined total of 600 billion cubic feet (Bcf) of natural gas from Canada and Mexico and to export up to a combined total of 330 Bcf of natural gas to Canada and Mexico over a two-year term beginning on the date of issuance of this Order. Dynegy is headquartered in Houston, Texas and is a subsidiary of Dynegy Inc. Dynegy states that it will import and export the gas on its own behalf as well as on the behalf of its suppliers and purchasers. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Dynegy 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 Dynegy to import and export natural gas from and 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.

ORDER

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

A. Dynegy Power Marketing, Inc. (Dynegy) is authorized to import up to a combined total of 600 billion cubic feet (Bcf) of natural gas from Canada and Mexico and to export up to a combined total of 330 Bcf of natural gas to Canada and Mexico over a two-year term beginning on June 25, 2001, and extending through June 24, 2003. This natural gas may be imported and exported at any point on the United States international border.

B. With respect to the natural gas imports and exports authorized by this Order, Dynegy 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, Dynegy 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 July 30, 2001, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 2001.

D. The quarterly 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 June 25, 2001.

Clifford P. Tomaszewski
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