

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

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2001 JUL 13 P 12:44

TXU ENERGY TRADING COMPANY)
_____)

FE DOCKET NO. 01-36-NG

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

DOE/FE ORDER NO. 1699

JULY 13, 2001

I. DESCRIPTION OF REQUEST

On June 29, 2001, TXU Energy Trading Company (TXUET) 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 and export up to a combined total of 10 billion cubic feet (Bcf) of natural gas from and to Canada and to import and export up to a combined total of 10 Bcf of natural gas from and to Mexico over a two-year term beginning on July 27, 2001.^{2/} TXUET, a marketer of natural gas, is a Texas corporation with its principal place of business in Dallas, Texas. TXUET will import and export the gas under short-term and spot market purchase arrangements. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by TXUET 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 TXUET to import and export natural gas from and to Canada and Mexico, nations with

^{1/} 15 U.S.C. § 717b.

^{2/} July 26, 2001, is the expiration date of TXUET's import/export authorization granted by DOE/FE Order No. 1476 on April 13, 1999 (2 FE ¶ 70,320).

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.

ORDER

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

A. TXU Energy Trading Company (TXUET) is authorized to import and export from and to Canada and Mexico up to a combined total of 20 billion cubic feet of natural gas over a two-year term beginning on July 27, 2001, and extending through July 26, 2003. This natural gas may be imported and exported at any United States international border point.

B. With respect to the natural gas imports and exports authorized by this Order, TXUET 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, TXUET 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 October 30, 2001, and should cover the period from July 27, 2001, until the end of the third calendar quarter, September 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 July 13, 2001.

A large, stylized handwritten signature in black ink, appearing to read 'Clifford P. Tomaszewski', is written over a horizontal line.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy