

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CALPINE ENERGY SERVICES, L.P.

FE DOCKET NO. 02-45-NG

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

DOE/FE ORDER NO. 1791

JUNE 20, 2002

I. DESCRIPTION OF REQUEST

On June 17, 2002, Calpine Energy Services, L.P. (Calpine Energy) 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/} for blanket authorization to import and export up to a total of 300 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on July 1, 2002, and extending through June 30, 2004.^{2/} Calpine Energy is a Delaware limited partnership with its principal place of business in Houston, Texas. Calpine Energy will make all United States transportation arrangements for the gas imported and exported under the requested authorization. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

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

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04 (January 8, 2002).

^{2/} June 30, 2002 is the expiration date of Calpine Energy 's authorization granted by DOE/FE Order No. 1567 on February 1, 2000 (2 FE ¶ 70,456), as amended by DOE/FE Order No. 1567-A on March 23, 2001 (2 FE¶ 70,609).

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. Calpine Energy Services, L.P. (Calpine Energy) is authorized to import and export up to a 300 billion cubic feet of natural gas from and to Canada over a two-year term beginning on July 1, 2002, and extending through June 30, 2004. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, Calpine Energy shall file with 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, Calpine Energy must report the following: (1) total monthly volumes in Mcf; (2) the average 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 or exit; (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. Quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, 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 October 30, 2002, and should cover the period from July 1, 2002, until the end of the third calendar quarter, September 30, 2002.

Issued in Washington, D.C., on June 20, 2002.

Clifford P. Tomaszewski
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Office of Natural Gas & Petroleum
Import & Export Activities
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