

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

WESTCOAST ENERGY (U.S.) LLC)
_____)

FE DOCKET NO. 02-68-NG

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

DOE/FE ORDER NO. 1816

OCTOBER 8, 2002

I. DESCRIPTION OF REQUEST

On October 2, 2002, Westcoast Energy (U.S.) LLC (WEUS) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for authorization to import and export up to a combined total of 200 Bcf of natural gas from and to Canada, over a two-year term beginning on December 1, 2002.^{2/} WEUS is a Delaware corporation with its principal place of business in Wilmington, Delaware.^{3/} WEUS, a shipping and marketer of hydrocarbon products in the United States, will import and export the natural gas on its own behalf or as an agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by WEUS 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 WEUS to import and export natural gas from and to Canada, a nation with which a free trade agreement is 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:

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2002).

^{2/} The blanket import and export authority granted by DOE/FE Order No. 1619 (2 FE ¶ 70,522) issued on August 7, 2000, was originally issued to Westcoast Energy (U.S.) Inc. WEUS is the successor-in-interest.

^{3/} WEUS is a wholly-owned subsidiary of Westcoast Energy Inc. d/b/a Duke Energy Gas Transmission, which is a wholly-owned indirect subsidiary of Duke Energy Corporation.

A. Westcoast Energy (U.S.) LLC (WEUS) is authorized to import and export up to a combined total of 200 Bcf of natural gas from and to Canada, over a two-year term beginning on December 1, 2002, and extending through November 30, 2004.

B. This natural gas may be imported and exported at any point on the border between the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, WEUS 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, WEUS must report the following information: (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 U. S. 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 breakdowns of the contract price.

[OMB No.: 1901-0294]

D. The reporting requirements described in Ordering Paragraph C 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2003, and should cover the period from December 1, 2002, until the end of the fourth calendar quarter, December 31, 2002.

Issued in Washington, D.C., on October 8, 2002.

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