

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

COENERGY TRADING COMPANY

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DOCKET NO. 02-73-NG

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

DOE/FE ORDER NO. 1821

OCTOBER 24, 2002

I. DESCRIPTION OF REQUEST

On October 18, 2002, CoEnergy Trading Company (CoEnergy) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA),^{1/} for a two-year, blanket-type authorization to import and export natural gas from and to Canada. The company seeks to import up to 150 billion cubic feet (Bcf) of natural gas and export up to 100 Bcf of natural gas through short-term and spot market arrangements beginning on September 30, 2002. Each transaction will be freely negotiated and structured to provide for a market-based price. No new construction or expansion of pipeline transmission facilities will be required to deliver this gas.

CoEnergy, a Michigan corporation with its principal place of business in Ann Arbor, Michigan, is a natural gas marketing company engaged in buying and selling natural gas. It is a wholly-owned subsidiary of DTE Energy Company, also a Michigan corporation. On September 26, 2000, FE issued CoEnergy a blanket authorization to import up to 150 Bcf of Canadian natural gas which expired September 29, 2002.^{2/}

II. FINDING

This application 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).

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

^{2/} See DOE/FE Order No. 1625 issued in Docket No. 00-67-NG (2 FE ¶ 70,529).

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 CoEnergy 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:

A. CoEnergy Trading Company (CoEnergy) is authorized to import up to 150 Bcf of natural gas from Canada, and export up to 100 Bcf of natural gas to Canada. This authorization is for two years beginning on September 30, 2002, and extending through September 29, 2004.

B. This natural gas may be delivered at any United States/Canada border crossing point.

C. With respect to the imports and exports of natural gas authorized by this Order, CoEnergy will file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports or exports have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, CoEnergy will report the following information: (1) the 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 reports will also

include the following information: (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]

D. 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 October 1, 2002, until the end of the fourth calendar quarter, December 31, 2002. The quarterly reports required by of this Order will 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 October 24, 2002.

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