



## I. DESCRIPTION OF REQUEST

On October 24, 2002, TransCanada Energy Ltd. (TCE) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for authorization to import up to 700 Bcf of natural gas from Canada, and to export up to a combined total of 300 Bcf of natural gas to Canada and Mexico, over a two-year term beginning on November 1, 2002. TCE, a energy marketing company, is an indirect wholly-owned subsidiary of TransCanada Pipelines Limited, which has its principal place of business in Calgary, Alberta, Canada. TCE will import and export this gas under spot and short-term market transactions on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by TCE 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 TCE to import natural gas from Canada, and to export natural gas to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is

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

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. TransCanada Energy Ltd. (TCE) is authorized to import up to 700 Bcf of natural gas from Canada, and to export up to a combined total of 300 Bcf of natural gas to Canada, and Mexico, beginning on November 1, 2002, and extending through October 31, 2004.

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

C. With respect to the natural gas imports and exports authorized by this Order, TCE 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. If imports or exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, TCE 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 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 breakdown of the contract price. [OMB No.: 1901-0294]

D. The quarterly reports required by Ordering Paragraphs 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 this Order is due not later than January 30, 2002, and should cover the period from November 1, 2002, until the end of the fourth calendar quarter, December 31, 2002.

Issued in Washington, D.C., on October 28, 2002.

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