

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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ENGAGE ENERGY AMERICA LLC )  
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FE DOCKET NO. 02-81-LNG

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

DOE/FE ORDER NO. 1829

NOVEMBER 21, 2002

## I. DESCRIPTION OF REQUEST

On November 12, 2002, as supplemented on November 14, 2002, Engage Energy America LLC (Engage America) 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),<sup>1/</sup> for authorization to import up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG), from Canada, and to export up to 1,000 Bcf of natural gas to Canada, over a two-year term beginning on December 1, 2002.<sup>2/</sup> Engage America is a Delaware corporation with its principal place of business in Wilmington, Delaware, and an indirect wholly-owned subsidiary of Duke Energy Corporation. Engage America will import and export the natural gas, including LNG, 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 Engage America 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

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

<sup>2/</sup> Engage America's current blanket import and export authority granted by DOE/FE Order No. 1622, (Order 1622) 1622-A and 1622-B (2 FE ¶ 70,528, ¶ 70,579 and ¶ 70,618) issued on August 28, 2000, November 30, 2000, and April 19, 2001, respectively, expires November 30, 2002. Order 1622 was originally issued to Westcoast Gas Services Delaware (America) Inc. (Westcoast America). Order 1622-A amended that authority to change Westcoast America's name to Engage Energy America Corp. (Engage America). Order 1622-B transferred that authority to Engage Energy America LLC.

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 Engage America 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. Engage Energy America LLC (Engage America) is authorized to import up to 1,000 Bcf of natural gas, including liquefied natural gas (LNG), from Canada, and to export up to 1,000 Bcf of natural gas 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 existing point on the border between the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, Engage America 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, Engage America 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 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, 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 November 21, 2002.

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