

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TOTALFINAELF GAS & POWER NORTH)
AMERICA, INC.)
_____)

FE DOCKET NO. 03-07-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA AND MEXICO, AND TO
EXPORT NATURAL GAS TO CANADA AND MEXICO,
AND T O IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1854

FEBRUARY 20, 2003

I. DESCRIPTION OF REQUEST

On February 13, 2003, TotalFinaElf Gas & Power North America, Inc. (TotalFinaElf) 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 authorization to import up to a combined total of 100 Bcf of natural gas from Canada and Mexico, and to export up to a combined total of 100 Bcf of natural gas to Canada and Mexico, and to import up to a total of 200 Bcf of liquefied natural gas (LNG) from various international sources. The term of the authority would begin on February 23, 2003^{2/}, and extend through February 22, 2005. TotalFinaElf, a marketer of natural gas, is a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of TFE Enterprises, Inc. TotalFinaElf 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 or LNG facilities.

II. FINDING

The application filed by TotalFinaElf 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

^{1/} 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).

^{2/} TotalFinaElf currently has blanket import and export authority granted by DOE Fe Order Nos. 563 and 563-A issued on December 27, 1991, and October 2, 2002, respectively (1 FE ¶ 70,517 and 2 FE ¶ 70,539) which expires February 22, 2003.

national treatment for trade in natural gas, and the importation of LNG from an international source not subject to trading sanctions, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by TotalFinaElf to import and export natural gas to Canada and Mexico, nations with which free trade agreements are in effect, and the importations of LNG from various international sources, meets the section 3(c) criterion and, therefore, are 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. (TotalFinaElf) is authorized to import up to a combined total of 100 Bcf of natural gas from Canada and Mexico, and to export up to a combined total of 100 Bcf of natural gas to Canada, and Mexico, and to import up to a total of 200 Bcf of LNG from various international sources, beginning on February 23, 2003, and extending through February 22, 2005.

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. The LNG may be imported at any United States or its territories existing receiving facilities.

D. With respect to the natural gas imports and exports authorized by this Order, TotalFinaElf 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, TotalFinaElf 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); and (9) the names to tanker(s) used. 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]

E. The quarterly reports required by 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.

F. The first quarterly report required by this Order is due not later than April 30, 2003, and should cover the period from February 23, 2003, until the end of the first calendar quarter, March 31, 2003.

Issued in Washington, D.C., on February 20, 2003

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