

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

AEP ENERGY SERVICES, INC.

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DOCKET NO. 03-31-NG

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

DOE/FE ORDER NO. 1878

JULY 21, 2003

I. DESCRIPTION OF REQUEST

On July 16, 2003, AEP Energy Services, Inc. (AEPES) 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 blanket authorization to import up to 200,000 thousand cubic feet (Mcf) per day of natural gas from Canada, and to export up to 200,000 Mcf per day of natural gas to Canada. AEPES also requests authority to import up to 200,000 Mcf per day of natural gas from Mexico, and to export up to 200,000 Mcf per day of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term which began on April 2, 2003.^{2/} AEPES is an Ohio corporation with its principal place of business in Columbus, Ohio. The applicant will import and export the gas on its own behalf or as the agent for others under short-term purchase arrangements negotiated in response to market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The 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). Under section 3(c), the import and export of natural gas from and to nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by AEPES to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This 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 Redlegation Order No. 00-002.4 (January 8, 2002).

^{2/} AEPES previous import and export blanket authorization was granted by DOE/FE Order No. 1360 dated February 9, 1998 (1 FE ¶ 71,527).

A. AEP Energy Services, Inc. (AEPES) is authorized to import up to 200,000 thousand cubic feet (Mcf) per day of natural gas from Canada, and to export up to 200,000 Mcf per day of natural gas to Canada. AEPES is also authorized to import up to 200,000 Mcf per day of natural gas from Mexico, and to export up to 200,000 Mcf per day of natural gas to Mexico. The term of the authority began on April 2, 2003, and extend through April 1, 2005.

B. This natural gas may be imported and exported at any entry or exit point on the borders of the United States and Canada, and the United States and Mexico.

C. With respect to the natural gas imports and exports authorized by this Order, AEPES shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports and exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and exports have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (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 United States transporter(s); (7) the point(s) of entry and exit; (8) the geographic market(s) served (for imports, by State); and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB

No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than July 30, 2003, and should cover the period from April 2, 2003, until the end of the second calendar quarter, June 30, 2003.

E. The quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on July 21, 2003.

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