

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TXU PORTFOLIO MANAGEMENT)
COMPANY LP)

DOCKET NO. 03-47-NG

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

DOE/FE ORDER NO. 1892

AUGUST 28, 2003

I. DESCRIPTION OF REQUEST

On August 26, 2003, TXU Portfolio Management Company LP^{1/} (TXUPM) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{2/} for blanket authorization to import and export up to a combined total of 240 billion cubic feet of natural gas from and to Canada, and to import and export up to a combined total of 240 Bcf from and to Mexico. TXUPM requests the authorization be granted for a two-year term will begin on July 27, 2003.^{3/} TXUPM is a Texas corporation with its principal place of business in Dallas, Texas. TXUPM 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 filed by TXUPM has been evaluated to determine if the proposed import and export arrangements 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 of natural gas from 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 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, are consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

1/ TXU Energy Trading Company LP changed its name to TXU Portfolio Management Company LP effective January 10, 2003.

2/ 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).

3/ TXUPM s current blanket authorization to import natural gas granted by DOE/FE Order No. 1699 dated July 13, 2001 (2 FE ¶ 70,647),expired on July 26, 2003.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. TXU Portfolio Management Company LP (TXUPM) is authorized to import and export up to a combined total of 240 billion cubic feet (Bcf) of natural gas from and to Canada, and to import and export up to a combined total of 240 Bcf of natural gas from and to Mexico. The term of the authority begins on July 27, 2003, and extends through July 26, 2005.

B. This natural gas may be imported at any existing pipeline facility 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, TXUPM 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 or 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 transactions, including: (1) the total monthly volumes in thousand cubic feet (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 breakdowns of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than October 30, 2003, and should cover the period from July 27, 2003, until the end of the third calendar quarter, September 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 August 28, 2003.

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