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OFFICE OF FOSSIL ENERGY  
U.S. DEPARTMENT OF ENERGY

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UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

~~ENERGY-KOCH TRADING, LP~~ ) FE Docket No. 04-13-N6

APPLICATION OF  
ENERGY-KOCH TRADING, LP  
FOR AN ORDER AUTHORIZING THE IMPORTATION  
AND EXPORTATION  
OF NATURAL GAS TO AND FROM CANADA

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. Section 717b, Entergy-Koch Trading, LP (hereinafter "EKT"), hereby respectfully submits this application for blanket authorization to import and export natural gas to and from Canada on a short-term basis for various points on the international border between the United States and Canada. EKT states the following:

I.

The exact legal name of the applicant is Entergy-Koch Trading, LP. EKT is a Delaware limited partnership with its principle place of business at 20 E. Greenway Plaza Suite 700, Houston, Texas 77046. All communications regarding this application should be addressed to:

Monica Jordan Richards  
Corporate Counsel  
Entergy-Koch Trading, LP  
20 E. Greenway Plaza, Suite 700  
Houston, TX 77046  
713-544-4436 - Phone  
713-544-5551 - Fax

EKT is a ~~wholly owned subsidiary of Entergy Koch, LP.~~ EKT proposes to buy, sell and transport natural gas in several states and is a marketer and broker of natural gas throughout the United States.

## II.

By this application, EKT requests blanket authority pursuant to Section 3 of the Natural Gas Act to ~~import and export a total of up to 100 Bcf of natural gas to and from~~ ~~Canada~~ during a two-year period commencing on the date of first import or export. With the exception of the aggregate 100 Bcf volume limitation and the two-year term, EKT requests unrestricted blanket import and export authority.

## III.

Specific information regarding participants and terms and conditions of the proposed imports and exports cannot presently be provided. These details will only become known after EKT has been granted the requests blanket certificate so that it may negotiate individual contracts with the particular purchasers and suppliers. The terms and conditions of contracts executed under this authority will vary with market conditions. However, consistent with the goal of flexibility, such contracts will likely be short-term. Consequently, these contracts will reflect the market sensitive price of gas at the point of sale.

The importation and exportation of natural gas contemplated by this application would not require construction of new pipeline facilities. EKT intends to deliver the volumes to be imported and exported at existing pipeline interconnections between the United States and Canada.

#### IV.

This blanket import and export authorization is not inconsistent with the public interest, as required by Section 3 of the Natural Gas Act. As that section states, the importation of natural gas “from a nation which there is in effect a free trade agreement requiring national treatment for trade in natural gas,” shall be deemed to be consistent with public interest, and applications for such importation and exportation shall be granted “without modification or delay.” Canada is a country with which the United States has a free trade agreement requiring national treatment for trade in natural gas. The natural gas imports and exports proposed herein should, therefore, be presumed to be in national interest, and this application for authorization to affect such imports and exports should be granted without modification or delay.

#### V.

EKT will comply fully with the DOE/FE’s reporting requirements after imports and/or exports are made. To facilitate the timely review of any sales transacted under this authorization, EKT will file with DOE/FE, within one month following each calendar quarter, a summary of all import and export transactions made during the previous quarter under the authorization sought herein.

VI.

Approval of this application will not constitute a major federal action significantly affecting the quality of the human environment, and thus no environmental impact statement is required. EKT intends to use existing transmission systems for the proposed import and export transactions. Since no new facilities will be constructed, EKT expects that no significant environmental impact will result.

VII.

In support of its application, EKT submits the attached Opinion of Counsel. Further in compliance with Section 590.207 of the DOE/FE regulations, EKT includes with this application a filing fee in the amount of \$50.00.

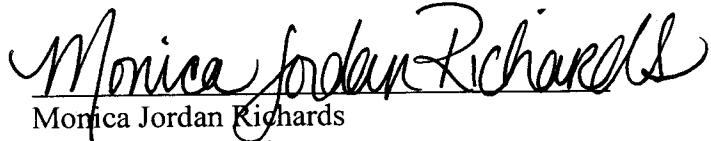
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IX.

WHEREFORE, EKT respectfully submits this application for blanket authorization to import and export natural gas to and from Canada for a period of two years on the terms and conditions set forth herein.

Respectfully submitted,

ENERGY-KOCH TRADING, LP

A handwritten signature in cursive script that reads "Monica Jordan Richards". The signature is written in black ink and is positioned above the printed name and contact information.

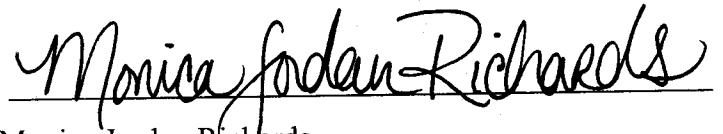
Monica Jordan Richards  
Corporate Counsel  
20 E. Greenway Plaza, Suite 700  
Houston, Texas 77046  
(713) 544-4436

Dated : February 10, 2004

## LEGAL OPINION AND STATEMENT OF COUNSEL

The following opinion is given in support of the Application of Energy-Koch Trading, LP (hereinafter "EKT") dated February 10, 2004.

- (1) I am an attorney at law, authorized to practice law in the State of Texas.
- (2) I serve as counsel to EKT, a duly formed and validly existing limited partnership, which is in good standing under the laws of the state of Delaware.
- (3) The proposed import and export of natural gas is within the corporate powers of EKT and;
- (4) EKT has complied with applicable federal and state laws and regulatory authorities regarding the import and export of natural gas.



Monica Jordan Richards  
Corporate Counsel for  
Energy-Koch Trading, LP

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, NJR 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 reporting requirements described in Ordering Paragraph 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 Ordering Paragraph C of this Order is due not later than July 31, 2002, and should cover the period from May 1, 2002, until the end of the second calendar quarter, June 30, 2002.

Issued in Washington, D.C., on April 18, 2002.

## ¶ 70,732

### Entergy-Koch Trading, LP (FE Docket No. 02-17-NG), April 18, 2002

#### DOE/FE Order No. 1767

### Order Granting Blanket Authorization to Import and Export Natural Gas from and to Canada and Mexico

#### I. Description of Request

On April 9, 2002, Entergy-Koch Trading, L.P. (EKT) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>1</sup>, and DOE Delegation Order Nos. 0204-111 and 0204-127, for two-year, blanket authority to import and export natural gas from and to Canada and Mexico. EKT proposes to import and export up to an aggregate of 800 billion cubic feet (Bcf) by means of short-term and spot market arrangements. This authorization will be for two years beginning May 1, 2002, and extending through April 30, 2004. EKT, a Delaware limited partnership with its headquarters in Houston, Texas, is a wholly-owned subsidiary of Entergy Koch, L.P. It delivers and markets natural gas in several states conducting business both on its own behalf and as an agent for others.

EKT evolved from the merger of Entergy Power Marketing Corporation (EPM), Koch Energy Trading, Inc. (KET), and Axia Energy, L.P. (Axia) on February 1, 2001. The surviving corporation in the merger was Axia. Subse-

quently, Axia changed its name to EKT on August 1, 2001. Prior to the merger, FE authorized EPM to import and export an identical quantity of natural gas between the United States, Canada and Mexico on a blanket basis from May 1, 2000, through April 30, 2001.<sup>2</sup> Each sales and purchase transaction was structured to provide a commodity price that was competitive in the short-term and spot market for natural gas. Granting EKT an authorization enables it to continue EPM's arrangements for two more years under the same conditions. No new construction or expansion of pipeline transmission facilities will be required.

#### II. Finding

This 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 importation and exportation of natural gas from or to a nation with which there is

<sup>1</sup> 15 U.S.C. § 717b.

<sup>2</sup> See DOE/FE Order No. 1582 issued April 14, 2000 (2 FE ¶ 70,474). KET previously was authorized to export up to 50 Bcf of natural gas to Canada in DOE/FE Order No. 1047 (2 FE ¶ 71,114), as amended by DOE/FE Order No. 1047-A (2 FE ¶ 71,401). In addition, KET was authorized to import

up to 73 Bcf of natural gas from Canada in DOE/FE Order No. 1639 (2 FE ¶ 70,557). These two authorizations have not yet expired. FE intends to vacate DOE/FE Order Nos. 1047, as amended, and 1639 because they are encompassed in EKT's present proposal and it will preclude duplication in import and export authorizations due to the merger.

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 EKT 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 blanket order authorizes transactions under supply contracts with terms of no longer than two years.

#### ORDER

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

A. Entergy-Koch Trading, L.P. (EKT) is authorized to import and export a combined total of up to 800 Bcf of natural gas from and to Canada and Mexico beginning May 1, 2002, and extending through April 30, 2004. This natural gas may be delivered at any international border crossing point.

B. With respect to the imports and exports of natural gas authorized by this Order, EKT will file 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, reports indicating whether imports or exports have been made. If no imports or exports have been made, a report of "no activity"

for that calendar quarter must be filed. If imports or exports have occurred, EKT will report the following information: (1) the 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 reports will also include the following information: (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]

C. The first quarterly report required by Ordering Paragraph B is due not later than July 30, 2002, and should cover the period from May 1, 2002, until the end of the second calendar quarter, June 30, 2002.

D. The quarterly reports will 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.

Issued in Washington, D.C., on April 18, 2002.

### ¶ 70,733

Alcoa, Inc. (FE Docket No. 02-21-NG), April 18, 2002

DOE/FE Order No. 1768

#### Order Granting Blanket Authorization to Import Natural Gas from Canada

##### I. Description of Request

On April 15, 2002, Alcoa Inc. (Alcoa) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>1</sup>, and DOE Delegation Order Nos. 0204-111 and 0204-127, for a two-year, blanket authorization to import natural gas from Canada, beginning May 1, 2002. Specifically, Alcoa seeks to import up to 15 billion cubic feet (Bcf) of natural gas through short-term and spot market arrangements. Alcoa, a Pennsylvania corporation with its principal office in Pittsburgh, produces and sells aluminum and aluminum products. The imported gas will be used for processing purposes and space heating in its refining, smelting and manufacturing plants and those of its subsidiaries and affiliates in the United States.

In an order issued April 21, 2000, Alcoa received identical broad-based, authority which extended from May 1, 2000, through April 30, 2002.<sup>2</sup> Granting a new authorization will enable Alcoa to import a greater quantity of natural gas from Canada for an additional two years under the same conditions. Once again, each purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. The proposed imports involve no new construction of plant or pipeline facilities.

##### II. Finding

This application has been evaluated to determine if the proposed import arrangement meets the public interest requirement of sec-

<sup>1</sup> 15 U.S.C. § 717b.

<sup>2</sup> See DOE/FE Order No. 1585 (2 FE ¶ 70,479).