

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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EPCOR MERCHANT AND CAPITAL (US) INC.

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FE DOCKET NO. 04-09-NG

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

DOE/FE ORDER NO. 1937

FEBRUARY 6, 2004

## I. DESCRIPTION OF REQUEST

On February 3, 2004, EPCOR Merchant and Capital (US) Inc. (EMC) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for blanket authorization to import up to 22 billion cubic feet (Bcf) of natural gas from Canada and to export up to 33 Bcf of natural gas to Canada over a two-year term beginning on January 25, 2004, and extending through January 24, 2006. EMC, a Delaware corporation, with its principal place of business in Calgary, Alberta, is an indirect, wholly-owned subsidiary of EPCOR Utilities Inc. EMC will import and export the natural gas under spot and short-term purchase arrangements on its own behalf or as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by EMC 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 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 EMC 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. EPCOR Merchant and Capital (US) Inc. (EMC) is authorized to import up to 22 billion cubic feet (Bcf) of natural gas from Canada and to export up to 33 Bcf of natural gas to Canada over a

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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 Redefinition Order No. 00-002.04 (January 8, 2002).

two-year term beginning on January 25, 2004, and extending through January 24, 2006. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, EMC shall file with 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, EMC must report the following: (1) total monthly volumes in Mcf; (2) the average 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 United States transporter(s); (7) the point(s) of entry or exit; (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]

C. 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2004, and should cover the period from January 25, 2004, through the end of the first calendar quarter, March 31, 2004.

Issued in Washington, D.C., on February 6, 2004.

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Sally Kornfeld  
Acting Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy