

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DUKE ENERGY MARKETING CANADA CORP. )

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FE DOCKET NO. 04-36-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS, INCLUDING  
LIQUEFIED NATURAL GAS, FROM AND TO CANADA, AND  
TO IMPORT LIQUEFIED NATURAL GAS FROM OTHER  
OTHER COUNTRIES

DOE/FE ORDER NO. 1963

MARCH 31, 2004

## I. DESCRIPTION OF REQUEST

On March 22, 2004, Duke Energy Marketing Canada Corp. (DEMCC) 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> requesting authority to import and export natural gas, including liquefied natural gas (LNG), from and to Canada, and to import LNG from other countries. DEMCC proposes to import and export up to a combined total of 900 billion cubic feet (Bcf) for a term of two years beginning April 1, 2004, and extending through March 31, 2006. DEMCC, a Delaware corporation with its principal place of business in Houston, Texas, is wholly-owned by Duke Energy Marketing America, L.L.C. DEMCC will import and export the natural gas and LNG under short-term and spot market transactions, on its own behalf and as an agent for others. The requested authorization does not involve the construction of new pipeline or receiving facilities.

## II. FINDING

The application filed by DEMCC 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 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 DEMCC to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, and the

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<sup>1/</sup> 15 U.S.C. § 717b. The authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

importation of LNG from various international sources, 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. Duke Energy Marketing Canada Corp. (DEMCC) is authorized to import and export up to a combined total of 900 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG), from and to Canada, and to import LNG from other countries. The term of this authorization is for a two-year period beginning April 1, 2004, and extending through March 31, 2006.

B. This natural gas and LNG may be imported and exported at any point on the borders between the United States and Canada. In addition, the LNG may be imported at any existing receiving facilities in the United States or its territories.

C. With respect to the natural gas imports and exports authorized by this Order, DEMCC 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 and LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. 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, DEMCC 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 of natural gas and LNG transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price; (3) the name(s) of the LNG tankers used; and (4) the country of origin. [OMB No.: 1901-0294]

D. The quarterly reports required by 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, 2004, and should cover the period from April 1, 2004, until the end of the second calendar quarter, June 30, 2004.

Issued in Washington, D.C., on March 31, 2004.

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Sally Kornfeld  
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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy