

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

OGE ENERGY RESOURCES, INC.)
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FE DOCKET NO. 04-41-NG

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

DOE/FE ORDER NO. 1972

APRIL 9, 2004

I. DESCRIPTION OF REQUEST

On April 2, 2004, OGE Energy Resources, Inc. (OERI) 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 and export up to a combined total of 400 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on May 1, 2004, and extending through April 30, 2006. OERI is an Oklahoma corporation with its principal place of business in Oklahoma City, Oklahoma. OERI is a wholly-owned subsidiary of Enogex Inc., and is a marketer of natural gas and other energy commodities throughout North America. OERI 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 OERI 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 OERI 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

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04 (January 8, 2002).

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. OGE Energy Resources, Inc. (OERI) is authorized to import and export up to a combined total of 400 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on May 1, 2004, and extending through April 30, 2006. This natural gas may be imported or exported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, OERI 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, OERI 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. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2004 and should cover the period from May 1, 2004 until the end of the second calendar quarter, June 30, 2004.

D. The quarterly report required by Ordering Paragraph B 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.

Issued in Washington, D.C., on April 9, 2004.



Yvonne Caudillo
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy