

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

TRANSCANADA ENERGY LTD.)
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DOCKET NO. 04-93-NG

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

DOE/FE ORDER NO. 2024

October 14, 2004

I. DESCRIPTION OF REQUEST

On September 30, 2004, TransCanada Energy Ltd. (TransCanada) 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 up to 700 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 300 Bcf of natural gas to Canada. The applicant also requests authority to import up to 300 Bcf of natural gas from Mexico. The applicant requests the authorization be granted for a two-year term beginning on November 1, 2004.^{2/} TransCanada is a Calgary, Alberta, Canada, corporation with its principal place of business in Alberta, Canada.

II. FINDING

The application has been evaluated to determine if the proposed import and/or 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 and/or export of natural gas from and 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 TransCanada to import and/or export natural gas from and to Canada, and to import natural gas from 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 Order authorizes transactions under contracts with terms of no longer than two years.

^{1/} 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).

^{2/} October 31, 2004, is the expiration date TransCanada's current blanket import and/or export authorization granted by DOE/FE Order No. 1823 on October 28, 2002 (2 FE ¶ 70,798).

ORDER

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

A. TransCanada Energy Ltd. (TransCanada) is authorized to import up to 700 billion cubic feet (Bcf) of natural gas from Canada and to export up to 300 Bcf of natural gas to Canada. TransCanada is also authorized to import up to 300 Bcf of natural gas from Mexico. The term of the authority will begin on November 1, 2004, and extend through October 31, 2006.

B. This natural gas may be imported and exported at any point 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, TransCanada shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and/or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or 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 breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from November 1, 2004, through the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on October 14, 2004.



R. F. Corbin
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Office of Oil and Gas Global Security and Supply
Office of Fossil Energy