

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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U.S. DEPARTMENT OF ENERGY

EPCOR MERCHANT AND CAPITAL (US) INC.)
_____)

DOCKET NO. 05-120-NG

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

DOE/FE ORDER NO. 2197

APRIL 25, 2006

I. DESCRIPTION OF REQUEST

On December 22, 2005, 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),¹ for blanket authorization to import up to 33 billion cubic feet (Bcf) of natural gas from Canada and export up to 33 billion cubic feet (Bcf) of natural gas to Canada. The applicant requests the authorization be granted for a two-year term beginning on the date of this Order.² EMC is a Delaware corporation with its principal place of business in Calgary, Alberta.

II. FINDING

The 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 import and 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 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 Order authorizes transactions 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. 00-002.04A (April 13, 2005).

² EPCOR's blanket import and export authority, granted by DOE/FE Order No. 1937 on February 6, 2004 (2 FE ¶ 70,928) expired on January 24, 2006. This Order will be effective retroactive to January 25, 2006 to allow EPCOR to have continuous authority to import and export natural gas from and to Canada.

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 33 billion cubic feet (Bcf) of natural gas from Canada and to export up to 33 billion cubic feet (Bcf) of natural gas to Canada. The two year term of authority began on January 25, 2006, and extends through January 24, 2008.

B. This natural gas may be imported and exported at any point on the border of the United States and Canada.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, EMC shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; and (4) the total volume at each import or export point in thousand cubic feet (Mcf) for the month. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than May 30, 2006, and should cover the reporting period April 1, 2006 through April 30, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, EMC shall file with the Office of Natural Gas Regulatory

Activities, within 30 days following the last day of 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 neither imports nor exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the supplier(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the supply agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry or exit; and (8) for imports, the geographic market(s) served, by State. [OMB No.: 1901-0294]

F. The first quarterly report required by this Order is due not later April 30, 2006, and should cover the reporting period of the first calendar quarter, from January 25, 2006 through March 31, 2006.

G. Both the monthly and quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on April 25, 2006.



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