UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TRANSCANADA GAS SERVICES INC.	)	FE DOCKET NO. 96-69-NG

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

DOE/FE ORDER NO. 1209

OCTOBER 25, 1996

I. DESCRIPTION OF REQUEST

On October 9, 1996, TransCanada Gas Services Inc. (TCG Inc.) 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/ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 700 Bcf of natural gas from Canada and to export up to a combined total of 300 Bcf of natural gas to Canada and Mexico. The exports to Mexico may be domestic gas or gas that was previously imported from Canada. The term of the proposed import and export authorization would be for two years beginning on the date of first import or export delivery after October 31, 1996. 2/

TCG Inc., a marketer of natural gas, is a Delaware corporation with its principal place of business in Calgary, Alberta. It is a wholly-owned subsidiary of TransCanada PipeLines Limited, a Canadian natural gas transmission company. This gas would be imported and exported by TCG Inc. under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

1. 15 U.S.C. 717b.

. This is the date which TCG Inc.'s existing blanket import/export authorization, granted by DOE/FE Order No. 982 (Order 982), dated September 31, 1994, (1 FE 71,025) expires. Order 982 was originally issued to Western Gas Marketing Inc. (Western). Western changed its name to TransCanada Gas Services

Inc. effective July 19, 1995.

II. FINDING

The application filed by TCG Inc. has been evaluated to determine if the proposed import/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 TCG Inc. to import and export natural gas from and to Canada and 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 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. TransCanada Gas Services Inc. (TCG Inc.) is authorized to import up to 700 Bcf of natural gas from Canada and to export up to a combined total of 300 Bcf of natural gas to Canada and Mexico over a two-year term beginning on the date of first import or export delivery after October 31, 1996. This natural gas may be imported at any U.S. border point with Canada, and exported at any U.S. border point with Canada or Mexico.

B. Within two weeks after deliveries begin, TCG Inc. shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, TCG Inc. shall file with OFP, within 30 days following each calendar quarter, quarterly 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, TCG Inc. 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 United States transporter(s); (7) the point(s) of entry and exit; and (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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1997, and should cover the period from November 1, 1996, until the end of the fourth calendar quarter, December 31, 1996.

Issued in Washington, D.C., on October 25, 1996.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy