

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PANHANDLE EASTERN PIPE LINE COMPANY) FE DOCKET NO. 02-25-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT FOR REIMPORT NATURAL GAS
TO AND FROM CANADA

DOE/FE ORDER NO. 1778

MAY 16, 2002

I. DESCRIPTION OF REQUEST

On April 19, 2002, as supplemented May 9, 2002, Panhandle Eastern Pipe Line Company (Panhandle) filed an application with the Office of Fossil Energy (FE) 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 authorization to export for reimport up to 10 Bcf of natural gas to and from Canada. The term of the authority began on December 16, 2001.^{2/} Panhandle is an Oklahoma corporation with its principal place of business in Oklahoma City. Panhandle, an indirect wholly-owned subsidiary of CMS Energy Corporation, is incorporated under the laws of the State of Delaware and has its principal place of business in Houston, Texas. Panhandle is engaged in the business of transporting and storing natural gas and will export and reimport natural gas to and from Canada for purposes of storage and redelivery to various markets, including but not limited to, local distribution companies, pipelines, municipalities and end-users. Panhandle may utilize this service for its own system to maintain its winter deliverability goals and to provide service to its storage provided by Union Gas Company, Limited. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Panhandle has been evaluated to determine if the proposed export for reimport 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

^{1/} 15 U.S.C. § 717b.

^{2/} Panhandle's blanket export for reimport authority granted by DOE/FE Order No. 1532 (2 FE ¶ 70,399) issued on October 21, 1999, expired December 15, 2001. Panhandle inadvertently failed to file for new authority in a timely manner.

sought by Panhandle to export for reimport of natural gas, to and from 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 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. Panhandle Eastern Pipe Line Company (Panhandle) is authorized to export for reimport up to 10 Bcf of natural gas to and from Canada. The term of the authority is from December 16, 2001, and extends through December 15, 2003.

B. This natural gas may be exported for reimport at any point on the border between the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, Panhandle 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 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, Panhandle must report the total monthly volumes in Mcf and the point of entry or exit. [OMB No.: 1901-0294]

D. The reporting requirements described in 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, 2002, and should cover the period from March 1, 2002, until the end of the second calendar quarter, June 30, 2002.

Issued in Washington, D.C., on May 16, 2002.

Yvonne Caudillo
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy