

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

TOTAL GAS & POWER NORTH AMERICA, INC.)
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DOCKET NO. 05-08-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND MEXICO, AND
TO IMPORT LIQUEFIED NATURAL GAS FROM
VARIOUS OTHER SOURCES

DOE/FE ORDER NO. 2074

FEBRUARY 28, 2005

I. DESCRIPTION OF REQUEST

On February 15, 2005, Total Gas & Power North America, Inc. (Total Gas) 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 100 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 100 Bcf of natural gas to Canada. Total Gas also requests authority to import up to 100 Bcf of natural gas from Mexico, and to export up to 100 Bcf of natural gas to Mexico. Furthermore, Total Gas requests authority to import up to 365 Bcf of liquefied natural gas (LNG) from other international sources. Total Gas requests the authorization be granted for a two-year term beginning on February 22, 2005. Total Gas is a Delaware corporation with its principal place of business in Houston, Texas.

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 nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas, and the import of LNG from other international sources, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Total Gas to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, and the import of LNG from other international sources, meets the section 3(c) criterion

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

and, therefore, is consistent with the public interest so long as the LNG sources are not subject to trading sanctions. This Order authorizes transactions with terms of no longer than two years.

ORDER

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

A. Total Gas & Power North America, Inc. (Total Gas) is authorized to import up to 100 billion cubic feet (Bcf). Total Gas is also authorized to import up to 100 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 100 Bcf of natural gas to Canada. Total Gas is also authorized to import up to 100 Bcf of natural gas from Mexico, and to export up to 100 Bcf of natural gas to Mexico. Finally, Total Gas is authorized to import up to the equivalent of 365 Bcf of liquefied natural gas (LNG) from other international sources. The term of the authority will begin on February 22, 2005, and extend through February 21, 2007.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

C. This LNG may be imported at any LNG receiving facility in the United States and its territories.

D. With respect to the natural gas imports and exports, and import of LNG authorized by this Order, Total Gas 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 and/or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If imports and exports of natural gas and/or LNG have not been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports of natural gas and/or LNG have occurred, the report must give the details of each transaction, 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); (9) the name(s) of the LNG tanker used; (10) the average landed cost per MMBtu of LNG at the point of import; and (12) the country of origin. [OMB No.: 1901-0294]

E. The first quarterly report required by this Order is due not later than April 30, 2005, and should cover the period from February 22, 2005, until the end of the first calendar quarter, March 31, 2005.

F. The 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 February 28, 2005.



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