UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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| TRANSCANADA PIPELINES LIMITED<br>AND<br>GREAT LAKES GAS TRANSMISSION<br>LIMITED PARTNERSHIP | FE DOCKET NO. 93-34-NG |

ORDER GRANTING AUTHORIZATION TO IMPORT
AND EXPORT NATURAL GAS FROM AND TO CANADA
AND VACATING PREVIOUS ORDER

DOE/FE ORDER NO. 795

APRIL 30, 1993

I. DESCRIPTION OF REQUEST

On March 26, 1993, TransCanada Pipelines Limited (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), requesting authority to import from Canada, and export to Canada, up to 1,405,000 Mcf per day of natural gas. TransCanada requested that the term of the authorization extend from the date the authorization is granted through November 1, 2005. TransCanada will use only existing pipeline facilities to transport the gas and will comply with DOE's quarterly reporting requirements.

TransCanada is a Canadian natural gas transmission company that purchases, transports, and sells natural gas to customers in Canada and the United States. Currently, Great Lakes Gas Transmission Limited Partnership (Great Lakes)1/ is authorized by DOE to import near Emerson, Manitoba, up to 1,405,000 Mcf per day of gas on a firm basis for the account of TransCanada for re-delivery and export near Sault Ste. Marie and St. Clair, Michigan, through November 1, 2005.2/ This application seeks

1/ Great Lakes is a transportation-only pipeline, although in the past it has provided sales service to several customers. Its natural gas pipeline system extends approximately 1,500 miles from an interconnection with TransCanada at the U.S.- Manitoba border near Emerson, eastward through Minnesota, Wisconsin, and Michigan, to two separate interconnections with TransCanada on the U.S.- Ontario border--one at Sault Ste. Marie on the upper peninsula of Michigan, and the other at St. Clair, Michigan. TransCanada uses a majority of this pipeline capacity and, through affiliates, owns a 50 percent share of Great Lakes.

2/ See DOE/FE Opinion and Order No. 425, 1 FE 70,353.

to substitute TransCanada for Great Lakes with respect to the volumes previously authorized for import and export. Although Great Lakes presently exports all of the authorized imports back to Canada, TransCanada may or may not re-export all of the volumes that it imports. Great Lakes does not oppose the termination of its existing authorization in conjunction with the granting of TransCanada's import/export authority.3/

## II. FINDING

The application filed by TransCanada has been evaluated to determine if the proposed import and export arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), the import and 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 TransCanada 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.

## ORDER

3/ See letter from Marc M. Mozham, Great Lakes President, Marketing and Rates, dated March 17, 1993.

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

A. TransCanada Pipelines Limited (TransCanada) is authorized to import and export up to 1,405,000 Mcf per day of natural gas from and to Canada over a period beginning on the date of this authorization and extending through November 1, 2005. The gas may be imported at a point near Emerson, Manitoba, and exported at a point near either Sault Ste. Marie or St. Clair, Michigan.

B. The authorization granted to Great Lakes Gas Transmission Limited Partnership in DOE/FE Opinion and Order No. 425 is hereby vacated.

C. Within two weeks after deliveries begin, TransCanada shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import and export of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports/exports authorized by this Order, TransCanada shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports and exports of natural gas have been made. If no imports and exports have been made, a report of "no activity" for that calendar quarter must be filed. If transportation-only imports and exports occur, TransCanada must report total monthly volumes in Mcf. The reports shall also provide the details of any import-for-resale transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the geographic market(s) served; (5) whether sales are being made on an interruptible or firm basis; and, if applicable, (6) the contract pricing provisions, including the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than July 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter on June 30, 1993.

Issued in Washington, D.C., on April , 1993.

Anthony J. Como
Acting Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy