

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CONCORD ENERGY LLC

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FE DOCKET NO. 02-58-NG

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

DOE/FE ORDER NO. 1805

AUGUST 30, 2002

I. DESCRIPTION OF REQUEST

On August 27, 2002, Concord Energy LLC (Concord) applied to the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/}, for a two-year, blanket-type authorization to import and export natural gas from and to Canada. Concord's headquarters is in Lakewood, Colorado. It is in the business of purchasing natural gas from various Canadian and U.S. gas producers and marketing companies, and reselling that gas throughout the United States and Canada, both on its own behalf and as an agent for others. Concord proposes to import and export up to a combined total of 100 billion cubic feet (Bcf) by means of short-term and spot market arrangements. The requested authority begins September 1, 2002, and extends through August 31, 2004. Under a blanket authorization, each sales and purchase transaction is structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. No new construction or expansion of pipeline transmission facilities will be required to deliver this gas.

II. FINDING

This 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 importation and exportation 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 Concord 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)

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

criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under supply contracts with terms of no longer than two years.

ORDER

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

A. Concord Energy LLC (Concord) is authorized to import and export a up to a combined total of 100 Bcf of natural gas from and to Canada, beginning on September 1, 2002, and extending through August 31, 2004. This natural gas may be delivered at any international border crossing between the United States and Canada.

B. With respect to the imports and exports of natural gas authorized by this Order, Concord will file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports or exports have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Concord will report the following information: (1) the 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 U. S. 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 reports will also include the following information: (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. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B is due not later than October 30, 2002, and should cover the period September 1, 2002, until the end of the third calendar quarter, September 30, 2002.

D. The quarterly reports will 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.

Issued in Washington, D.C., on August 30, 2002.

Yvonne Caudillo
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