

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

CARGILL, INCORPORATED)
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FE DOCKET NO. 03-17-NG

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

DOE/FE ORDER NO. 1863

APRIL 15, 2003

I. DESCRIPTION OF REQUEST

On April 4, 2003, Cargill, Incorporated (Cargill) 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/}, for authorization to import up to a combined total of 1,500 Bcf of natural gas from Canada and Mexico, and to export up to a combined total of 500 Bcf of natural gas to Canada and Mexico, over a two-year term beginning on the date of this Order. Cargill, a Delaware corporation with its principal place of business located in Minnetonka, Minnesota. Cargill will import and export the gas under short-term and spot market transactions for its own account or for the account of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Cargill 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 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 Cargill 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

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Relegation Order No. 00-002.4 (January 8, 2002).

consistent with the public interest. This 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. Cargill, Incorporated (Cargill) is authorized to import up to a combined total of 1,500 Bcf of natural gas from Canada and Mexico, and to export up to a combined total of 500 Bcf of natural gas to Canada, and Mexico, over a two-year term beginning on the date of this Order.

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

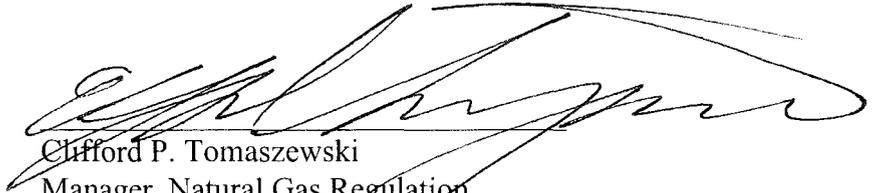
C. With respect to the natural gas imports and exports authorized by this Order, Cargill shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly 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, Cargill 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 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 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. [OMB No.: 1901-0294]

D. The reporting requirements described in 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 this Order is due not later than July 30, 2003, and should cover the period from the date of this Order, until the end of the second calendar quarter, June 30, 2003.

Issued in Washington, D.C., on April ¹⁵, 2003.



Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy