

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

EL PASO MARKETING, L.P.

DOCKET NO. FE06-⁰⁸__-NG

**APPLICATION OF EL PASO MARKETING, L.P.
FOR AUTHORIZATION TO IMPORT AND EXPORT
NATURAL GAS FROM AND TO CANADA AND MEXICO**

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, Part 590 of the Regulations of the Department of Energy ("DOE"), Office of Fossil Energy ("FE"), and Section 201 of the Energy Policy Act of 1992 ("Energy Policy Act"), El Paso Marketing, L.P., formerly known as El Paso Merchant Energy, L.P. ("EPM"), hereby submits the instant application for blanket authorization to import and export natural gas from and to Canada and Mexico. In support of this application, EPM respectfully shows as follows:

I.
GENERAL

Correspondence and communications regarding this application should be addressed to the following:

[New EPM Business Contact]
[Title]
El Paso Marketing, L.P.
1001 Louisiana Street
Houston, TX
Tel: 713-420-
Fax: 713-420-
e-mail:

Porter K. Ryan, Esq.
Senior Counsel
El Paso Corporation
1001 Louisiana Street
Houston, TX 77002
Tel: 713-420-6070
Fax: 713-420-7025
e-mail: porter.ryan@elpaso.com

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 2005 JAN 26 P 2:42
 U.S. DEPARTMENT OF ENERGY
 OFFICE OF FOSSIL ENERGY

II. BACKGROUND

EPM is an indirect subsidiary of El Paso Corporation with its principal place of business at 1001 Louisiana Street, Houston, Texas 77002. EPM is a limited partnership, organized under the laws of the State of Delaware. EPM provides gas marketing services and markets power on a limited basis.

III. AUTHORIZATION REQUESTED

By the instant application, EPM requests import and export authorization from and to Canada and Mexico for a two-year period commencing January 6, 2005. EPM was issued blanket authorization by the DOE/FE in Order No. 1840 on January 6, 2003, which authorization expired on January 6, 2005.

EPM requests authorization to import from and export to Canada and Mexico a combined total of up to 400 Bcf of natural gas over a two-year term commencing January 6, 2005 through January 6, 2007. The requested authorization will enable EPM to participate in short-term or spot-market natural gas transactions. Since a transaction arranged by EPM may be structured with EPM either purchasing and taking title to the gas, or acting as agent, EPM requests authorization to import and export gas for its own account as well as for the account of its suppliers and purchasers.

EPM's negotiations with prospective customers are of a continuing nature. Therefore, EPM requests that such import and export authority be granted on a blanket basis at all existing points of import and export from and to Canada and Mexico to provide EPM with the flexibility necessary to respond quickly to these marketing opportunities. EPM cannot be competitive with other sellers and purchasers if it must apply for import and export authorization for each transaction. The subject application is similar to other blanket import and export arrangements approved by DOE.

IV. PUBLIC INTEREST

The Energy Policy Act provides that the importation and exportation of natural gas from or to a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest, and that applications for such importation and exportation shall be granted without modification or delay. Because EPM's application is for the importation and exportation of natural gas from and to Canada and Mexico, nations with which the United States has free trade agreements, EPM submits that its application is within the public interest.

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V.
ENVIRONMENTAL IMPACT

No new facilities will be constructed in the United States for the proposed importation and exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. §4321, et seq. Therefore, an environmental impact statement or environmental assessment is not required.

VI.
REPORTING REQUIREMENTS

With respect to all imports and exports made pursuant to the authorization requested herein, EPM will undertake to file with the DOE/FE in the month following the close of each calendar quarter, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of imports and exports in Mcf and the average price for the imports and exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of entry or point of exit, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. EPM will notify the DOE/FE in writing of the date of the first delivery of natural gas imported or exported under the requested authorization within two weeks of such delivery.

VII.
CONCLUSION

WHEREFORE, for the foregoing reasons EPM respectfully requests that the DOE/FE expeditiously consider the instant application and, pursuant to Section 3 of the NGA and Section 201 of the Energy Policy Act, grant its request for blanket import and export authorization. EPM submits that a grant of such authorization would not be inconsistent with the public interest.

Respectfully submitted,

El Paso Marketing, L.P.

Porter K. Ryan , Esq.
El Paso Corporation
1001 Louisiana Street
Houston, TX 77002
713-420-6070

Attorney for El Paso Marketing, L.P.

January __, 2006



Fax Transmittal Coversheet

Date and Time: January 25, 2006, 8:26:11 AM

Pages Sent: 5 + coversheet

06-08-NG

Name of Recipient: Larine Moore

Company of Recipient: DOE

Complete Address:

Fax Number: 202-586-6050

Name of Sender: Carla P. Watkins

Phone Number: 713-420-7484

Fax Number: 713-420-4352

Comments: Ms. Moore,

I have been asked to forward the attached draft Application to you. Would you kindly review it and if necessary, write in anything that might be missing. Upon receipt of the reviewed information, I will retype the Application and submit it to you.

Also, please confirm that the current filing fee is \$50.00 and to whom the check must be written.

Kind regards,

Carla

February 2, 2006

0608-NG

Ms. Larine Moore,
Docket Room Manager, Natural Gas Regulation
Office of Natural Gas and Petroleum
Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3E-042, FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

rec'd 1/25/06

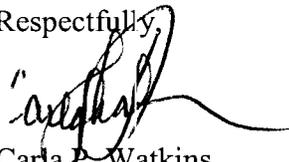
Reference: Application of El Paso Marketing, L.P. for
Authorization to Import and Export Natural Gas from
and to Canada and Mexico

Dear Ms. Moore:

Enclosed are an original and 15 copies of the Application of El Paso Marketing, L.P. for Authorization to Import and Export Natural Gas from and to Canada and Mexico. Also enclosed is a \$50.00 check for the filing fee. Please date stamp and return the additional 2 copies enclosed.

Please contact me at 713/420-7484 if you have any questions regarding the application. Thank you for your assistance.

Respectfully,



Carla P. Watkins
Sr. Energy Accountant
El Paso Marketing, L.P.

February 2, 2006

Office of Natural Gas and Petroleum
Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3E-042, FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Application of El Paso Marketing, L.P. ("Applicant") for
Authorization to Import and Export Natural Gas from
And to Canada and Mexico ("Application")

Ladies and Gentlemen:

As counsel for El Paso Marketing, L.P. (formerly known as El Paso Merchant Energy, L.P.), the Applicant in the above-referenced matter, please be advised that, based upon my review of the Applicant's Fifth Amended and Restated Agreement of Limited Partnership dated as of November 9, 2004 and such other documents and inquiries as I have deemed necessary, the import and export of natural gas from and to Canada and Mexico as described in the Application, is within the partnership powers of the Applicant.

Very truly yours,



Sheldon L. Abramson
Counsel for El Paso Marketing, L.P.

**UNITED STATES OF AMERICA
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DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

EL PASO MARKETING, L.P.

DOCKET NO. FE06-08-NG

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Fax: 713-420-4352
e-mail: carla.watkins@elpaso.com

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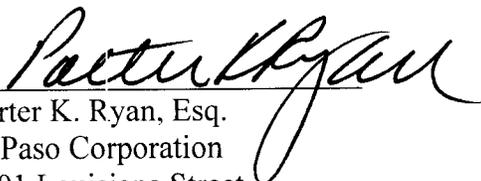
VI.
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With respect to all imports and exports made pursuant to the authorization requested herein, EPM will undertake to file with the DOE/FE in the month following the close of each calendar quarter, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of imports and exports in Mcf and the average price for the imports and exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of entry or point of exit, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

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WHEREFORE, for the foregoing reasons EPM respectfully requests that the DOE/FE expeditiously consider the instant application and, pursuant to Section 3 of the NGA and Section 201 of the Energy Policy Act, grant its request for blanket import and export authorization. EPM submits that a grant of such authorization would not be inconsistent with the public interest.

Respectfully submitted,
El Paso Marketing, L.P.


Porter K. Ryan, Esq.
El Paso Corporation
1001 Louisiana Street
Houston, TX 77002
713-420-6070

Attorney for El Paso Marketing, L.P.

February 2, 2006

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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EL PASO MARKETING, L.P.

DOCKET NO. 06-08-NG

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

DOE/FE ORDER NO. 2195

APRIL 25, 2006

I. DESCRIPTION OF REQUEST

On January 26, 2006, El Paso Marketing, L.P. (EPM) 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 and export up to a combined total of 400 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on January 6, 2005. EPM 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. 332-486). Under section 3(c), the import and export of natural gas from and 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 EPM to import and export natural gas from and to Canada and Mexico, nations with which a free trade agreement are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

¹ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04A (April 13, 2005).

ORDER

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

A. El Paso Merchant Energy, L.P. (EPM) is authorized to import and export up to a combined total of 400 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico. The two year term of authority began on January 6, 2005, and extends through January 5, 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. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, EPM shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) point(s) of entry and exit; and (4) total volume at each import or export point in thousand cubic feet (Mcf) for the month. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than May 30, 2006, and should cover the reporting period April 1, 2006 through April 30, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, EPM shall file with the Office of Natural Gas Regulatory

Activities, within 30 days following the last day of 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 neither imports nor exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the suppliers(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the supply agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry or exit; and (8) for imports, the geographic market(s) served, by State). [OMB No.: 1901-0294]

F. The first quarterly report required by this Order is due not later April 30, 2006, and should cover the period of the first calendar quarter, from January 1, 2006 through March 30, 2006.

G. Both the monthly and 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 April 25, 2006.



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy