

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

POWEREX CORP.)
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DOCKET NO. 05-06-NG

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

DOE/FE ORDER NO. 2071

FEBRUARY 22, 2005

I. DESCRIPTION OF REQUEST

On February 3, 2005, Powerex Corp. (Powerex) 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 60 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico, and to import liquefied natural gas (LNG) from other international sources. The authorization would be for a two-year term beginning on March 1, 2005.²

Powerex is a corporation organized and existing under the Company Act of the Province of British Columbia, with its principal place of business located in Vancouver, British Columbia, Canada. Powerex is a wholly-owned subsidiary of the British Columbia Hydro and Power Authority, a Provincial Crown corporation of the Government of British Columbia.

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 Powerex 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.

² Powerex's current blanket import/export authorization granted by DOE/FE Order No. 1852 expires on February 28, 2005.

and, therefore, is consistent with the public interest so long as the LNG sources are not subject to trading sanctions. 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. Powerex Corp. (Powerex) is authorized to import and export up to a combined total of 60 billion cubic feet of natural gas from and to Canada and Mexico, and to import LNG from other international sources. The term of the authority will begin on March 1, 2005, and extend through February 28, 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. The LNG may be imported at any LNG receiving facility in the United States and its territories.


D. With respect to the imports and exports authorized by this Order, Powerex shall file with the Office of Natural Gas Regulatory 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, the report must give details of each transaction by country: (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 tankers or the number of tanker trucks(s) used; (10) the average landed cost per MMBtu of LNG at the point of import; and, if applicable, (11) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [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 March 1, 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 22, 2005.



R.F. Corbin
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Office of Fossil Energy