

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

SOUTHWEST ENERGY, L.P.)
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DOCKET NO.: 06-52-NG

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

DOE/FE ORDER NO. 2228

JULY 21, 2006

I. DESCRIPTION OF REQUEST

On June 27, 2006, Southwest Energy L.P. (Southwest Energy) 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 20 billion cubic feet (Bcf) of natural gas from and to Canada. The applicant requests the authorization be granted for a two-year term beginning on July 22, 2006. Southwest Energy is a Texas 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. 102-486). 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 Southwest Energy 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. 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 Redlegation Order No. 00-002.04A (April 13, 2005).

ORDER

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

A. Southwest Energy L.P. (Southwest Energy) is authorized to import and export up to a combined total of 20 billion cubic feet (Bcf) of natural gas from and to Canada. The term of authority will begin on July 22, 2006, and extends through July 21, 2008.

B. This natural gas may be imported and exported at any point on the border of the United States and Canada.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, Southwest Energy 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) the 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 August 30, 2006, and should cover the reporting period July 22, 2006, through July 31, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, Southwest Energy, 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 than October 30, 2006, and should cover the period from July 22, 2006, until the end of the third calendar quarter September 30, 2006.

G. 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 July 21, 2006.



R. F. Corbin
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Office of Fossil Energy