

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

PHIBRO LLC

DOCKET NO. 06-61-NG

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

DOE/FE ORDER NO. 2246

AUGUST 17, 2006

I. DESCRIPTION OF REQUEST

On July 18, 2006, Phibro LLC (Phibro) 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 800 billion cubic feet of natural gas from and to Canada and Mexico. The natural gas imports may include liquefied natural gas (LNG). The applicant requests the authorization be granted for a two-year term beginning on August 14, 2006. Phibro is a Delaware corporation with its principal place of business in Westport, Connecticut.

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 and the import of LNG are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Phibro to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, and to import LNG, 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. 00.002.04B (September 23, 2005).

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ORDER

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

A. Phibro LLC (Phibro) is authorized to import and export up to a combined total of 800 billion cubic feet of natural gas from and to Canada and Mexico. The natural gas imports may include liquefied natural gas (LNG). This authorization shall be effective for a two-year term which began on August 14, 2006, and extends through August 13, 2008.

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. In addition, the LNG may be imported at any LNG receiving facility in the United States and its territories.

C. **Monthly Reports:** With respect to the imports and exports of natural gas authorized by this Order, Phibro shall file with the Office of Natural Gas Regulatory Activities, within 30 days following 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 of natural gas 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) the 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; and (4) for exports, the country of destination. If LNG imports have occurred, the report must give the following details for each cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in thousand cubic feet (Mcf) and million British thermal units (MMBtu); (7) the

landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list States). [OMB NO. 1901-0294]

D. The first monthly report required by this Order is due not later than September 30, 2006, and should cover the reporting period of August, 2006.

E. **Quarterly Reports:** With respect to the imports and exports authorized by this Order, Phibro 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 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 by country: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per MMBtu at the international border; (3) the name of the supplier(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. If LNG imports have occurred, the report must give the following details for each cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in Mcf and MMBtu; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases US \$ per MMBtu; (9) the name(s) of the purchaser(s); and (10) the geographic market served (list States). [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 reporting period for the third calendar quarter, from July, 2006, through September, 2006.

G. The quarterly reports required by this Order 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 August 17, 2006.



R. F. Corbin

Manager, Natural Gas Regulatory Activities
Office of Natural Gas and Oil Global Security and Supply
Office of Fossil Energy