

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DOE/OFE/NGR

CHI ENGINEERING SERVICES, INC.

FE DOCKET NO. 07-44-LNG

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

DOE/FE ORDER NO. 2362

JUNE 18, 2007

I. DESCRIPTION OF REQUEST

On May 24, 2007, CHI Engineering Services, Inc. (CHI Engineering) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for blanket authorization to import and to export liquefied natural gas (LNG), in a combined total amount up to the equivalent of 0.2 billion cubic feet of natural gas, from and to Canada. The applicant requests authorization for a two-year term beginning on July 1, 2007. CHI Engineering is a New Hampshire corporation with its principal place of business in Portsmouth, New Hampshire.

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, including LNG, 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 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 CHI Engineering to import and export LNG 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.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.04C (January 30, 2007).

ORDER

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

A. CHI Engineering Services, Inc. (CHI Engineering) is authorized to import and export liquefied natural gas (LNG), in a combined total amount up to the equivalent of 0.2 billion cubic feet of natural gas, from and to Canada pursuant to transactions that have terms of no longer than two years. The authorization shall be effective for a two-year term beginning on July 1, 2007, and extending through June 30, 2009.

B. This LNG may be imported or exported at any LNG receiving facility in the United States and its territories.

C. **Monthly Reports:** With respect to the LNG imports and exports authorized by this Order, CHI Engineering 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 LNG have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither LNG imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of LNG have occurred, the report must give the details of each LNG 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 or export; (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).

D. The first monthly report required by this Order is due not later than August 30, 2007, and should cover the reporting period from July 1, 2007 through July 31, 2007.

E. **Quarterly Reports:** With respect to the LNG imports authorized by this Order, CHI Engineering shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If neither LNG imports nor exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of LNG have occurred, the report must give the details of each LNG 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 or export; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); (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, 2007, and should cover the reporting period for the third calendar quarter, from July 1, 2007 through September 30, 2007.

G. The 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 June 18, 2007.



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R. F. Corbin

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