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. 2172

JANUARY 13, 2006
I. DESCRIPTION OF REQUEST

On December 10, 2005, Phibro Inc. (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 January 6, 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 Canada and Mexico, nations with which there are in effect free trade agreements 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. 00.002.04A (April 13, 2005).
ORDER

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

A. Phibro Inc. (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). The term of the authority will begin on January 13, 2006, and extend through January 12, 2008.

B. This natural gas, including LNG, 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 existing LNG receiving terminal.

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 Regulation, within 30 days following each calendar month, a report indicating whether imports and/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 and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) point(s) of entry and exit; (3) total volume at each import point in 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) country of origin; (2) point(s) of entry –Terminal name; (3) the name (s) of the LNG tanker or number of truck(s); (4) landed price in US $ per MMBtu; (5) supplier; (6) total volume Mcf; and (7) the date of import (arrival of ship/truck). [OMB NO.: 1901-0294]
D. The first monthly report required by this Order is due not later than February 28, 2006, and should cover the reporting period January 13, 2006, through January 31, 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 and/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 and/or exports of natural gas have occurred, the report must give the details of each transaction by country: (1) the country of origin; (2) the total monthly volumes in thousand cubic feet (Mcf); (3) average purchase price of gas per million British thermal units (MMBtu) at the international border; (4) the name of the seller(s); (5) the name of the purchaser(s); (6) the estimated or actual duration of the agreement(s); (7) the name of the United States transporter(s); (8) the point(s) of entry and exit; (9) the geographic market(s) served (for imports by State); (10) the name(s) of the LNG tanker or the number of truck(s) used; and (11) the average landed cost per MMBtu of LNG at the point of import. [OMB NO.: 1901-0294]

F. The first quarterly report required by this Order is due not later than April 30, 2006, and should cover the period from January 13, 2006, until the end of the first calendar quarter, March 31, 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.


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