

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CNE GAS SUPPLY, LLC

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FE DOCKET NO. 12-17-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO CANADA AND MEXICO

DOE/FE ORDER NO. 3074

FEBRUARY 24, 2012

I. DESCRIPTION OF REQUEST

On February 10, 2012, CNE Gas Supply, LLC (CNE) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to export up to a combined total of 10 billion cubic feet (Bcf) of natural gas to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning on May 22, 2012.² CNE is a Delaware limited liability company with its principal place of business in Louisville, Kentucky.

II. FINDING

The application has been evaluated to determine if the proposed 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 liquefied natural gas (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 applications for such imports or exports must be granted without modification or delay. The authorization sought by CNE to export natural gas to Canada and Mexico, nations 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/ The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redelelegation Order No. 00-002.04E issued on April 29, 2011.

²/ CNE's blanket authorization to export natural gas to Canada and Mexico granted in DOE/FE Order 2766 on March 16, 2010, extends through May 21, 2012.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. CNE is authorized to export up to a combined total of 10 Bcf of natural gas to Canada and Mexico pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on May 22, 2012, and extending through May 21, 2014.

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

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, CNE 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 exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of “no activity” for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination; (2) the point(s) of exit; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); and (7) the estimated or actual duration of the supply agreement(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

D. The first monthly report required by this Order is due not later than June 30, 2012, and should cover the reporting period from May 22, 2012, through May 31, 2012.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375,

Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on February 24, 2012.

A handwritten signature in black ink, appearing to read "John A. Anderson", written over a horizontal line.

John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy