

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

ENERGY INTERNATIONAL CORPORATION)
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DOCKET NO. 05-103-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS FROM AND TO
CANADA AND MEXICO, INCLUDING THE IMPORT OF
LIQUEFIED NATURAL GAS FROM CANADA AND MEXICO, AND
TO IMPORT LIQUEFIED NATURAL GAS FROM
VARIOUS OTHER INTERNATIONAL SOURCES

DOE/FE ORDER NO. 2154

NOVEMBER 22, 2005

I. DESCRIPTION OF REQUEST

On November 9, 2005, ENERGY International Corporation (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 natural gas from and to Canada and Mexico, including the import of liquefied natural gas (LNG) from Canada and Mexico, and to import LNG from various other international sources, up to a combined total of 200 billion cubic feet of natural gas. The applicant requests the authorization be granted for a two-year term beginning on November 8, 2005. ENERGY is a Texas corporation with its principal place of business in Kingwood, 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, 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 ENERGY to import and export natural gas from and to Canada and Mexico, nations with which a free trade agreement is in effect, and the import of LNG from various other international sources, 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. ENERGY International Corporation (ENERGY) is authorized to import and export natural gas from and to Canada and Mexico, including the import of liquefied natural gas (LNG), from Canada and Mexico, and to import LNG from various other international sources, up to a combined total of 200 billion cubic feet of natural gas. The term of authority will begin on November 8, 2005, and extend through November 7, 2007.

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.

C. The LNG may be imported at any LNG receiving facility in the United States and its territories.

D. **Monthly Reports:** With respect to the imports and exports of natural gas and LNG authorized by this Order, ENERGY shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar month, a report indicating whether imports and/or exports of natural gas or LNG 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 and/or exports of natural gas or LNG 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, 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 U.S. \$ per MMBtu; (5) supplier; (6) total volume Mcf and (7) the date of import (arrival of ship). [OMB NO.: 1901-0294]

E. The first monthly report required by this Order is due not later than December 30, 2005, and should cover the reporting period November 8, 2005, through November 30, 2005.

F. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, ENERGY 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 and/or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports of natural gas and/or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports of natural gas and/or LNG have occurred, the report must give the details of each transaction, including: (1) the country of origin; (2) the total monthly volumes in thousand cubic feet (Mcf); (3) the average purchase price of gas per million British thermal units (MMBtu) at the international borders; (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; and (9) the geographic market(s) served (for imports, by State); (10) the name(s) of the LNG tankers or the number of tanker truck(s) used; and (11) the average landed cost per MMBtu of LNG at the point of import. [OMB No.: 1901-0294]

G. The first quarterly report required by this Order is due not later January 30, 2006, and should cover the period from November 8, 2005, until the end of the fourth calendar quarter December 31, 2005.

H. The 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 November 22, 2005.



R. F. Corbin
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