

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

AVISTA ENERGY, INC.)
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DOCKET NO. 06-54-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2229

JULY 21, 2006

I. DESCRIPTION OF REQUEST

On June 27, 2006, Avista Energy, Inc. (Avista) 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 export up to a combined total of 219 billion cubic feet (Bcf) of natural gas to Canada. The applicant requests the authorization be granted for a two-year term beginning on July 3, 2006. Avista is a Washington corporation with its principal place of business in Spokane, Washington.

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 export of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Avista to export natural gas 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.

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. Avista Energy, Inc. (Avista) is authorized to export up to a combined total of 219 billion cubic feet (Bcf) of natural gas to Canada. The two-year term of authority began on July 3, 2006 and extends through July 2, 2008.

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

C. **Monthly Reports:** With respect to the export of natural gas authorized by this Order, Avista 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 exports of natural gas have not 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) country of destination; (2) point(s) of exit; and (3) the total volume at each export point in thousand cubic feet (Mcf) for the month. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than August 30, 2006, and should cover the reporting period of July 3, 2006 through July 31, 2006.

E. **Quarterly Reports:** With respect to the natural gas exports authorized by this Order, Avista shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, reports indicating whether exports of natural

gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Avista must report the following:

(1) the total monthly volumes in Mcf; (2) the average purchase price of gas per million British thermal units (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); and (7) the point(s) of exit.

[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 period from July 3, 2006, until the end of the third calendar quarter September 30, 2006.

G. The monthly and 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 July 21, 2006.



R. F. Corbin
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Office of Oil and Gas Global Security and Supply
Office of Fossil Energy