

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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DOE/OFE/NGR

DUKE ENERGY TRADING & MARKETING, L.L.C.

FE DOCKET NO. 06-94-NG

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

DOE/FE ORDER NO. 2302

NOVEMBER 22, 2006

I. DESCRIPTION OF REQUEST

On October 2, 2006, as supplemented on October 5, 2006, Duke Energy Trading & Marketing, L.L.C. (DETM) 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, and to import liquefied natural gas (LNG) from various 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 October 31, 2006². DETM is a Delaware corporation with its principal place of business in Houston, 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), of the NGA, 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 DETM to import and export natural gas from and to Canada and Mexico, nations with which a free trade agreement is in effect, and to import LNG from various international sources, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes

¹ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04B (September 23, 2005).

² DETM's blanket authorization granted in DOE/FE Order No. 2039 on November 1, 2004, expires on October 30, 2006 (2 FE ¶ 71,040).

transactions with terms of no longer than two years.

ORDER

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

A. Duke Energy Trading & Marketing, L.L.C. (DETM) is authorized to import and export natural gas from and to Canada and Mexico, and to import LNG from various international sources, up to the combined total of 200 billion cubic feet of natural gas. This authorization shall be effective for a two-year term which began on October 31, 2006, and extends through October 30, 2008.

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

F. **Monthly Reports:** With respect to the natural gas imports and exports, and the imports of LNG authorized by this Order, DETM 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 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 or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; and (4) the total volume at each import or export point in thousand cubic feet (Mcf) for the month. If imports 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; (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). [OMB No. : 1901-0294]

E. The first monthly report required by this Order is due not later than December 30, 2006, and should cover the retroactive reporting period of October, 2006, and the current reporting period from November 1, 2006 through November 30, 2006.

F. **Quarterly Reports:** With respect to the natural gas imports and exports, and the import of LNG authorized by this Order, DETM shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar quarter, reports indicating whether imports or exports of natural gas or imports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports of natural gas or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas have occurred, the report must give the details of each transaction, including: (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); (7) the point(s) of entry or exit; and (8) for imports, the geographic market(s) served, by State. If imports of LNG have occurred, the report must give the following 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; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic markets served (list states). [OMB No.: 1901-0294]

G. The first quarterly report required by this Order is due not later than January 30, 2007, and should cover the period from October 31, 2006 through the end of the fourth calendar quarter, December 31, 2006.

H. Both 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.

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