

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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PHIBRO TRADING LLC

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FE DOCKET NO. 10-141-NG

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

DOE/FE ORDER NO. 2879

NOVEMBER 8, 2010

## I. DESCRIPTION OF REQUEST

On November 1, 2010, Phibro Trading LLC (Phibro) 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)<sup>1</sup> for blanket authorization to import and export natural gas from and to Canada and Mexico, to export liquefied natural gas (LNG) to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, up to a combined total of the equivalent of 800 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on November 5, 2010. Phibro is a Delaware corporation with its principal place of business in Westport, Connecticut.

Additionally, on June 16, 2010, Phibro LLC was granted authorization in DOE/FE Order No. 2803 (Order 2803) to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, up to the equivalent of 800 Bcf of natural gas for a two year term beginning August 14, 2010, and extending through August 13, 2012. On November 1, 2010, Phibro LLC notified DOE that it had transferred its business activities to Phibro, its parent company. On November 1, 2010, Phibro requested that Order 2803 be vacated effective November 4, 2010, because the requested authorization will supersede the current blanket authorization.

## 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, including liquefied natural gas (LNG), from and to a nation with which

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<sup>1</sup>/ 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 Redelegation Order No. 00-002.04D issued on November 6, 2007.

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 must be granted without modification or delay. The authorization sought by Phibro to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

#### ORDER

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

A. Phibro is authorized to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, up to a combined total of the equivalent of 800 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on November 5, 2010, and extending through November 4, 2012.

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

C. This LNG may be imported by vessel to any LNG receiving facility in the United States and its territories. This LNG may be exported by vessel from any LNG terminal in the United States and its territories.

D. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the

vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

E. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, Phibro shall file a report with the Office of Natural Gas Regulatory Activities within 30 days following the last day of each calendar month indicating whether imports and/or exports of natural gas have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports and/or exports have not occurred, 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, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

If exports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the country of destination; (3) the date of departure from the U.S. export terminal; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG tankers; (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; (8) the name(s) of the purchaser(s); and (9) the duration of the supply agreement.

If imports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in Mcf; (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 State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

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

F. The first monthly report required by this Order is due not later than December 30, 2010, and should cover the reporting period from November 5, 2010, through November 30, 2010.

G. 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](mailto:Yvonne.caudillo@hq.doe.gov) or [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Ms. Caudillo at (202) 585-6050.

H. The blanket authorization issued to Phibro LLC in Order 2803 on June 16, 2010, is hereby vacated effective November 4, 2010.

Issued in Washington, D.C., on November 8, 2010.



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