

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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U.S. DEPARTMENT OF ENERGY

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KANEBI INC. \_\_\_\_\_

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DOCKET NO. 04-97-NG

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

DOE/FE ORDER NO. 2036

OCTOBER 28, 2004

## I. DESCRIPTION OF REQUEST

On October 6, 2004, Kanebi Inc. (Kanebi) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for blanket authorization to import up to a combined total of 20 billion cubic feet of natural gas, including liquefied natural gas (LNG) from Canada and Mexico, and to import LNG from other international sources. The applicant requests the authorization be granted for a two-year term beginning on December 20, 2004. Kanebi is a New York corporation with its principal place of business in New York, New York.

## II. FINDING

The application has been evaluated to determine if the proposed import 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 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 is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Kanebi to import natural gas, including LNG, from Canada and Mexico, nations with which free trade agreements are in effect, and to import LNG from other international sources, meets the section 3(c) criterion and, therefore, is consistent with the public interest. The import of LNG from sources with which the United States does not have a free trade agreement is consistent so long as the LNG sources are not subject to trading sanctions. This Order authorizes transactions under contracts with terms of no longer than two years.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.04 (January 8, 2002).

ORDER

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

A. Kanebi Inc. (Kanebi) is authorized to import up to a combined total of 20 billion cubic feet of natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico and to import LNG from other international sources. The term of the authority will begin on December 20, 2004, and extend through December 19, 2006.

B. This natural gas may be imported at any point on the borders of the United States and Canada and the United States and Mexico. The LNG may be imported at any LNG receiving facility in the United States and its territories.

C. With respect to the natural gas imports and exports authorized by this Order, Kanebi shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas and/or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas and/or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry; (8) the geographic market(s) served (for imports, by State); (9) the name(s) of the LNG tanker used or the number of truck(s) used; and, if applicable, (10) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from December 20, 2004, until the end of the fourth calendar quarter, December 31, 2004.

E. 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 October 28, 2004.



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R. F. Corbin  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy