

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

DUKE ENERGY MARKETING AMERICA, LLC)

FE DOCKET NO. 05-33-LNG

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

DOE/FE ORDER NO. 2093

MAY 27, 2005

I. DESCRIPTION OF REQUEST

On May 18, 2005, Duke Energy Marketing America, LLC (Duke) 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, including liquefied natural gas (LNG), from and to Canada and Mexico, and to import LNG from various other international sources up to a combined total of 900 billion cubic feet of natural gas. The applicant requests the authorization be granted for a two-year term beginning June 30, 2005. Duke is a Delaware limited liability company 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), the import and export of natural gas from and to nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas, and the import of LNG from other sources, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Duke to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, and the import of LNG from various other international sources, meets the section 3(c) criterion and, therefore, is consistent

^{1/} 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).

with the public interest. This Order authorizes 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 America, LLC (Duke) is authorized to import and export natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico, and to import LNG from various other international sources, up to a combined total of 900 billion cubic feet of natural gas. The term of the authority will begin on June 30, 2005, and extend through May 31, 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. With respect to the imports and exports authorized by this Order, Duke 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 imports or exports of natural gas and/or LNG have not 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: (1) the country of origin; (2) the total monthly volumes in thousand cubic feet (Mcf); (3) average purchase price of gas per million British thermal units (MMBtu) at the international border; (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; (9) the geographic market(s) served (for

imports, by State); (10) the name(s) of 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]

E. The first quarterly report required by this Order is due not later than July 30, 2005, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 2005.

F. The quarterly reports required by this Order 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 May 27, 2005.



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