

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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KIMBALL ENERGY CORPORATION)
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DOCKET NO. 06-13-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2202

MAY 22, 2006

I. DESCRIPTION OF REQUEST

On February 22, 2006, Kimball Energy Corporation (Kimball) 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 up to 75 billion cubic feet (Bcf) of natural gas from Canada. The applicant requests the authorization be granted for a two-year term beginning on April 1, 2006. Kimball is a Texas corporation with its principal place of business in Arlington, Texas.

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 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 Kimball to import natural gas from 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 Redlegation Order No. 00-002.04A (April 13, 2005)

ORDER

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

A. Kimball Energy Corporation (Kimball) is authorized to import up to 75 billion cubic feet (Bcf) of natural gas from Canada. The two-year term of authority began on April 1, 2006 and extends through March 31, 2008.

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

C. **Monthly Reports:** With respect to the natural gas imports authorized by this Order, Kimball 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 of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If imports of natural gas have not been made, a report of "no activity" for that month must be filed. If imports of natural gas have occurred, the report must give the following details: (1) country of origin; (2) point(s) of entry; and (3) the total volume in thousand cubic feet (Mcf) at each import point for the month. [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than June 30, 2006, and should cover the reporting period of May 1, 2006 through May 31, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports authorized by this Order, Kimball 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 of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports 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; and (8) the geographic market(s) served by State.

[OMB No. 1901-0294]

F. The first quarterly report required by this Order is due not later than July 30, 2006, and should cover the period of the second calendar quarter, from April 1, 2006 through June 30, 2006.

G. 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

Issued in Washington, D.C. on May 22, 2006.



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