

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

JAN 12 2007

SAN DIEGO GAS & ELECTRIC)
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FE DOCKET NO. 06-124-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2323

JANUARY 16, 2007

I. DESCRIPTION OF REQUEST

On October 16, 2006, San Diego Gas & Electric (SDG&E), 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 of natural gas from Canada and Mexico. The application was subsequently amended on December 12, 2006 by the applicant for blanket authorization to import up to 75 billion cubic feet of natural gas from Canada only. The applicant requests the authorization be granted for a two-year term which began on December 1, 2006. SDG&E is a California corporation with its principal place of business in San Diego, California.

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), 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 is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by SDG&E 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. 00.002.04B (September 23, 2005).

ORDER

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

A. San Diego Gas & Electric (SDG&E) is authorized to import up to 75 billion cubic feet of natural gas from Canada pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term which began on December 1, 2006, and extends through November 30, 2008.

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

C. **Monthly Reports:** With respect to the natural gas imports authorized by this Order, SDG&E 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 no imports have 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) the 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 January 30, 2007, and should cover the reporting period December 1, 2006 through December 31, 2006.

E. **Quarterly Reports:** With respect to the natural gas imports authorized by this Order, SDG&E 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 no 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 January 30, 2007, and should cover the fourth calendar quarter for 2006, from December 1, 2006 through December 31, 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 January 16, 2007.



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