

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

OFFICE OF FOSSIL ENERGY
JUN 18 2007
WASHINGTON, DC

DYNEGY POWER MARKETING, INC.)
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FE DOCKET NO. 07-47-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND MEXICO

DOE/FE ORDER NO. 2364

JUNE 18, 2007

I. DESCRIPTION OF REQUEST

On May 25, 2007, Dynegy Power Marketing, Inc. (Dynegy) 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 500 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 230 Bcf of natural gas to Canada. Dynegy also requests authority to import up to 100 Bcf of natural gas from Mexico, and to export up to 100 Bcf of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning on June 25, 2007.² Dynegy is a Texas corporation 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, including LNG, 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 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 Dynegy to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are 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 Redelegation Order No. 00.002.04C (January 30, 2007).

^{2/} Dynegy's authorization to import and export natural gas granted by DOE/FE Order No. 2099 on June 8, 2005, extends through June 24, 2007 (2 FE ¶ 71,127).

ORDER

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

A. Dynege Power Marketing, Inc. (Dynege) is authorized to import up to 500 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 230 Bcf of natural gas to Canada. Dynege is also authorized to import up to 100 Bcf of natural gas from Mexico, and to export up to 100 Bcf of natural gas to Mexico pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on June 25, 2007, and extending through June 24, 2009.

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. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, Dynege 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 or exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports have been made, a report of "no activity" for that month must be filed. If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; and (4) the total volume at each import or export point in thousand cubic feet (Mcf) for the month. [OMB No. 1901-0294]

D. The first monthly report required by this Order is due not later than July 30, 2007, and should cover the reporting period from June 25, 2007 through June 30, 2007.

E. **Quarterly Reports:** With respect to the natural gas imports and exports authorized by this Order, Dynege 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 or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If neither imports nor exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports 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 or exit; and (8) for imports, 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, 2007, and should cover the reporting period for the second calendar quarter, June 25, 2007 through June 30, 2007.

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 June 18, 2007.



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