



TransAlta Chihuahua,  
S.A. de C.V.  
Montes Urales No. 505  
Planta Baja  
Col. Lomas de  
Chapultepec  
C.P. 11000 México, D.F.  
Tel. 5 202-70-60  
**April 28, 2008**



08-38-NB

**U.S Department of Energy  
FE-34  
P.O. Box 44375  
Washington DC 20026-4375**

To whom it may concern:

Please receive enclosed our application to renew, obtain or get a new Authorization to Import Natural Gas into Mexico for the sole use of supply a Power Generation Plant located in Mexico nearby the US border.

Enclosed you will find the following:

An original and five (5) copies of the requirements described in III. Procedures for Filing an Application found on the Internet's Official Website of the DOE.

A cheque<sup>(1)</sup> payable to the Treasurer of the United States for purposes of renewing our gas export permit from the United States to Mexico.

1. Please note we have attached a cheque payable to the US Treasurer for 100 USD due to the fact that our Bank Banamex could not issue a money order cheque for less than 100 USD.

Sincerely

Patricia Hipolito  
Commercial Manager  
Servicios TransAlta, S.A de CV

## Moore, Larine

---

**From:** Patricia\_Hipolito@TransAlta.com  
**Sent:** Thursday, May 01, 2008 12:29 PM  
**To:** Moore, Larine  
**Cc:** Howard, Beverly; Moore, Larine  
**Subject:** RE: Check Included with Long Term Import Application

**Importance:** High

Hello:

The term of the authorization should be:

Start: July 16, 2008 (Current authorization expires on July 15, 2008)  
End: July 16, 2013

Regards

Patricia Hipólito Arzate  
Transalta México  
(52)55 52-02-70-60 (Ext. 210)

"Moore, Larine"  
<Larine.Moore@hq.doe.gov>  
To  
"Moore, Larine"  
2008/05/01 08:51 a.m. <Larine.Moore@hq.doe.gov>, Patricia\_Hipolito@TransAlta.com  
cc  
"Howard, Beverly"  
<Beverly.Howard@HQ.DOE.GOV>  
Subject  
RE: Check Included with Long Term  
Import Application

We're still reviewing your application and can't proceed until we clarify the effective, and whether this application is tied to the previous application which reference.

Larine A. Moore  
Office of Natural Gas Regulatory Activities Office of Oil and Gas Global Security and Supply Office of Oil and  
Natural Gas Office of Fossil Energy U.S. Department of Energy  
202-586-9478

-----Original Message-----

From: Moore, Larine  
Sent: Wednesday, April 30, 2008 3:52 PM  
To: 'Patricia\_Hipolito@TransAlta.com'  
Subject: RE: Check Included with Long Term Import Application

After reviewing the application I'm unclear as to the term of the authorization, and when it should start and end.

Larine A. Moore  
Office of Natural Gas Regulatory Activities Office of Oil and Gas Global Security and Supply Office of Oil and  
Natural Gas Office of Fossil Energy U.S. Department of Energy  
202-586-9478

-----Original Message-----

From: Patricia\_Hipolito@TransAlta.com  
[mailto:Patricia\_Hipolito@TransAlta.com]  
Sent: Wednesday, April 30, 2008 3:49 PM  
To: Moore, Larine  
Subject: Re: Check Included with Long Term Import Application

Hello:

We are aware that maybe it is not going to be able to get the refund. We do not have any issue due to we do not print checks anymore because we can release just wire transfers, and I believe the other option (to save \$50 for our next renewal) is just a possibility. So please take the \$100 as payment for this application and do not worry about the difference.

Thanks

Patricia Hipólito Arzate  
Transalta México  
(52)55 52-02-70-60 (Ext. 210)

"Moore, Larine"  
<Larine.Moore@hq.  
doe.gov>  
2008/04/30 12:55  
p.m.  
To  
patricia\_hipolito@transalta.com  
cc  
Subject  
Check Included with Long Term

## Import Application

(Embedded image moved to file: pic28164.gif) We have received your application for Authority to Import Natural Gas into Mexico, along with a check for \$100. Is it possible to send us a personal check? If we process this check for \$100 we can not refund you the \$50 difference. If you plan to renew your blanket when it expires we can make note that the \$50 was received on this date. I would have to check with manager to see if this is ok. Please call me

Larine A. Moore

Office of Natural Gas Regulatory Activities Office of Oil and Gas Global Security and Supply Office of Oil and Natural Gas Office of Fossil Energy U.S. Department of Energy  
202-586-9478





Banamex  
Banco Nacional de México, S.A.

BRANCH : C.F. LOMAS, DF  
197-31691211685

APRIL 25, 2008

3057115

1-2  
210

ON DEMAND PAY  
TO THE ORDER OF: U.S. TREASURY OFFICE OF THE TREASURER..... USD \$100.00  
\$100.00=USD

AMOUNT IN WORDS:  
(ONE HUNDRED 00/100 USD)

José Daniel Cureño Luján  
SUPERVISOR DE CAJAS  
230-41

Gerardo Alonso Sánchez  
SUPERVISOR DE CAJAS  
230-43

BANCO NACIONAL  
AUTHORIZED SIGNATURE

THE CHASE MANHATTAN BANK  
New York, NY 10017

OR-9-1582

THIS DOCUMENT IS SUBJECT TO THE LAWS OF THE COUNTRY ON WHICH IT IS DRAWN



⑈0003057115⑈ ⑆021000021⑆400928205⑈

## REQUEST FOR LONG-TERM AUTHORIZATION TO EXPORT NATURAL GAS TO MEXICO (RENEWAL)

### I. BACKGROUND

On July 11, 2003, TransAlta Chihuahua S.A. de C.V. (TAC) 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 authorization to export up to 49,500 thousand cubic feet (Mcf) per day of natural gas to Mexico.

The order was granted effective from July 15, 2003 to July 15, 2008.

DOE/FE ORDER NO. 1877

### II. COMPANY PROFILE

TransAlta Chihuahua S.A. de C.V. (TAC) is a Mexican Corporation with its principal place of business in Lomas de Chapultepec Mexico City, Mexico. TAC is owned by TransAlta Corporation whose principal place of business is in Calgary, Alberta, Canada.

### III. COMPANY AND CONTACT INFORMATION

**Company Name:** TransAlta Chihuahua, S.A de C.V.  
**Name:** Colin Jonathan Mills,  
**Title:** Country Manager,  
**Office Address:** Montes Urales 505 PB, Col Lomas de Chapultepec, C.P 11000,  
**Country:** Mexico  
**City:** Mexico City  
**Telephone:** 011(525)55-202-70-60

All correspondence and inquiries regarding the application should be addressed to:

**Name:** Patricia Hipolito,  
**Title:** Commercial Manager  
**Office Address:** Montes Urales 505 PB, Col Lomas de Chapultepec, C.P 11000,  
**Country:** Mexico  
**City/province:** Mexico DF.  
**Telephone:** 011(525)55-202-70-60 ext 210.

### **Power Purchase Agreement signed by TransAlta Chihuahua S.A. de C.V. into and between CFE (Mexico's National utility).**

TransAlta Chihuahua S.A. de C.V. signed a 25 year contract agreement with CFE (Mexican State-owned Power Utility) to supply 259 MW of gas-fired baseload power. This agreement has been in effect from September 9, 2003 and will end on September 9, 2028.

#### IV. FUEL SUPPLY AGREEMENT MAJOR PROVISIONS

TAC has undersigned an amended and restated Fuel Supply Agreement (supply agreement) with Fortis Energy Marketing & Trading; GP; whereas, Parties entered into that certain Fuel Supply Agreement (FSA) dated April 15, 2003 and at present, whereas, the Parties amended and restated the FSA in its entirety effectively as of May 1, 2007. The exported natural gas has been used as fuel for TAC’s natural gas-fired power facility near Ciudad Juárez, Chihuahua, Mexico.

#### TERM:

The FSA is effective as of May 1, 2007 and the Term End Date shall be October 31, 2013.

#### GAS EXPORT QUANTITIES:

Minimum Daily Quantity is 30,000 MMBTU’s  
Maximum Daily Quantity is 48,000 MMBTU’s

#### DELIVERY POINTS & PRICING

The exported natural gas will be delivered from Seller’s Keystone Permian Basin Pool to Buyer’s Keystone Permian Basin Pool on EPNG’s pipeline. The price paid under the supply contract consists of the daily price index, in US\$/MMBtu, of the Midpoint posting for El Paso Natural Gas Permian Basin, as published in the *Gas Daily*, under the Daily Price Survey, for the corresponding gas day, plus US\$0.015 per MMBtu. In addition, TAC shall pay Fortis Energy Marketing & Trading; GP, a reservation fee of US\$0.015 per MMBtu on 18,000 MMBtu’s per gas day on swing gas, unless TAC nominates swing gas in increments of 1,000 MMBtu’s, up to the 18,000 MMBtu’s per gas day, of swing gas at least four Business Days before closing day of trading for the NYMEX Contract for the respective month of Gas flow (the “Baseload Monthly Option”) in which case the fee shall be waived on those amounts nominated.

Points of Entry/Exit and Transporters				
U.S. Point of entry/Exit	of	Corresponding Canadian/Mexican Point of Entry/Exit	U.S. Transporter	Foreign Transporter
Clint, Texas		Ciudad Juarez, Coahuila	Samalayuca Pipeline	Pemex Pipeline



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## V. EXHIBITS TO APPLICATION

### EXHIBIT A

Opinion of Counsel where it is stated the Corporate Powers of the Company to import Gas from the US.

### EXHIBIT B

Copy of the Gas Purchase Agreement





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## **EXHIBIT A**

Opinion of Counsel where it is stated the Corporate Powers of the Company to import Gas from the US.

April 17, 2008.

Mr. Colin J. Mills  
Director General  
TransAlta Chihuahua, S.A. de C.V.  
Montes Urales No. 505, P.B.  
Lomas de Chapultepec,  
(11000), México, D.F.

Dear Mr. Mills:

As per your request, this Law Firm has been engaged to issue a legal opinion regarding if the import and/or export of natural gas is within the corporate powers of the company named "*TransAlta Chihuahua, S.A. de C.V.*" (TransAlta), and if TransAlta has complied with Mexican Federal and State Laws and filed the necessary filings to carry out this activity, before the competent regulatory authorities, as it is a requirement to file an application before the US Department of Energy (DOE) to obtain an authorization to be able to carry out this activity.

In order to issue the present legal opinion, this law firm has reviewed the corporate documents of TransAlta as furnished by the client. Our finding is that the most relevant documents are the Articles of Incorporation (which are included in the Certificate of Incorporation) and the By-Laws of the TransAlta (both as amended).

TransAlta is a legally existing corporation, incorporated in accordance with the laws of Mexico. The corporation was created on March 20, 2001, under the corporate name of "*TransAlta Chihuahua, S.A. de C.V.*" before Mr. Jorge Antonio Francoz Gárate, Notary Public No. 17 for the Judicial District of Tlalnepantla, State of Mexico. The existence of the corporation was later recorded at the Public Registry of Commerce, under docket number 278,677.

This legal opinion is issued based upon both the original corporate documents and the amendments.



Corporate authority of TransAlta.

The corporate purpose of TransAlta is set forth in Article Three of its By-Laws (as amended). The following is a translation into English from its original in Spanish of the relevant provisions of Article Three:

***“ARTICLE THREE.- The corporation will have the following corporate purpose:***

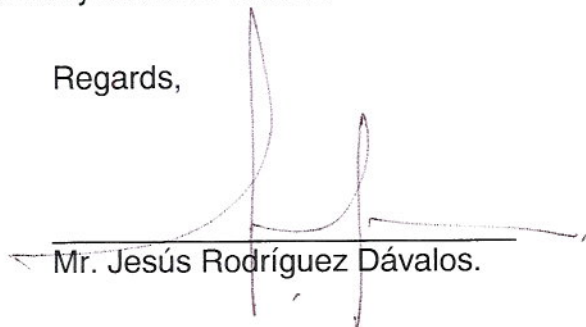
- I) To develop, build, possess, operate and maintain a thermoelectric central and associated installations, for the generation of electricity with not less than one hundred ninety one (191) Megawatts, and not more than two hundred fifty nine (259) Megawatts, and to buy and sell associated electric power, in the interconnection point located in the State of Chihuahua;*
- II) To generate electric power as an independent producer to sell to the Federal Electricity Commission;*

*[...]*

- VII) In general, to carry out, execute all the actions, agreements and transactions, incidentals or accessories, which may be necessary or appropriate to achieve the corporate purpose of the corporation.*

As you can acknowledge, the corporate purpose of TransAlta is general and broad. It includes, among other things, specific reference to energy matters. From the authority set forth in Article Three, it can be inferred that TransAlta is empowered to import natural gas from the US to Mexico, even though this specific activity it is not expressly set forth therein.

Regards,



Mr. Jesús Rodríguez Dávalos.



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**EXHIBIT B**

Copy of the Gas Purchase Agreement