

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

REPSOL ENERGY NORTH AMERICA CORPORATION )

FE DOCKET NO. 08-26-NG

ORDER GRANTING LONG-TERM AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2489

APRIL 22, 2008

I. DESCRIPTION OF REQUEST

On March 14, 2008, Repsol Energy North America Corporation (RENA) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1</sup> for long term authorization to import up to 1 billion cubic feet of natural gas per day (a total of up to 9,125 Bcf of natural gas during the term of the authorization) from Canada. The applicant requests the authorization be granted for a term of twenty-five (25) years beginning November 1, 2008. RENA is a Delaware corporation. RENA's principal place of business is located in The Woodlands, Texas.

RENA has entered into a Gas Purchase and Sales Agreement for the sale and purchase of natural gas with Repsol Energy Canada Ltd. (REC) dated December 21, 2007. RENA will purchase the natural gas from REC at the interconnection between Brunswick Pipeline and Maritimes & Northeast Pipeline, L.L.C. (M&NP) located at the international border between the United States and Canada near Calais, Maine.

The price RENA will pay for the gas purchased from REC will be competitive with gas purchased from other sources in the region. The price will be a confidential market index-based price minus the M&NP costs (i.e. the unit charge incurred by RENA to transport natural gas). M&NP costs include all reservation charges, usage fees, surcharges and fuel. The daily contract quantity will be an amount, as designated by REC, up to a maximum of 750,000 MMBtu per Gas Day and an amount, as designated by RENA (and confirmed by REC) up to an additional 250,000 MMBtu per Gas Day.

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<sup>1</sup> / 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redelegation Order No. 00.002.04C (January 30, 2007).

## 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 and export of natural gas, including liquefied natural gas (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 RENA 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.

### ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. RENA is authorized to import up to import up to 1 Bcf of natural gas per day (a total of up to 9,125 Bcf of natural gas during the term of the authorization) from Canada in accordance with the Gas Purchase and Sales Agreement dated December 21, 2007. The term of this authorization shall be effective beginning on November 1, 2008, and extending through October 31, 2033.

B. This natural gas may be imported at a point on the international border between the United States and Canada near Calais, Maine at the point of interconnection between Brunswick Pipeline and M&NP.

C. **Monthly Reports:** With respect to the natural gas imports authorized by this Order, RENA shall file a report with the Office of Natural Gas Regulatory Activities, within

30 days following the last day of each calendar month indicating whether imports of natural gas have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports have not occurred, 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; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); (7) the estimated or actual duration of the supply agreement(s); and (8) the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than December 30, 2008, and should cover the reporting period from November 1, 2008 through November 30, 2008.

E. All monthly report filings shall be made to the U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at [yvonne.caudillo@hq.doe.gov](mailto:yvonne.caudillo@hq.doe.gov) or [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faced to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on April 22, 2008.



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Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy