

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

TRANSALTA CHIHUAHUA S.A. DE C.V.

FE DOCKET NO. 08-38-NG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 2506

JUNE 20, 2008

I. DESCRIPTION OF REQUEST

On April 30, 2008, TransAlta Chihuahua S.A. de C.V. (TAC) 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),¹ for long term authorization to export up to 49,500 thousand cubic feet (Mcf) of natural gas per day to Mexico. The applicant requests the authorization be granted for a term of five (5) years beginning July 16, 2008.² TAC is a Mexican corporation. TAC's principal place of business is located in Lomas de Chapultepec Mexico City, Mexico.

TAC will purchase the natural gas under a Fuel Supply Agreement (Supply Agreement) with Fortis Energy Marketing & Trading (FEM&T), dated April 15, 2003 and amended and restated in its entirety as of May 1, 2007. The exported natural gas will be used as fuel for TAC's natural gas-fired power facility near Ciudad Juárez, Chihuahua, Mexico. The exported natural gas will be delivered from FEM&T's Keystone Permian Basin Pool to TAC's Keystone Permian Basin Pool on El Paso Natural Gas Pipeline Company's (EPNGC) pipeline near Clint, Texas.

II. FINDING

The application has been evaluated to determine if the proposed 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 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

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

²/ TAC's long-term authorization to export natural gas to Mexico granted in DOE/FE Order No. 1877, extends through July 15, 2008 (2 FE ¶ 70,860).

must be granted without modification or delay. The authorization sought by TAC to export natural gas to Mexico, 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. TAC is authorized to export up to 49,500 Mcf of natural gas per day to Mexico, under a Supply Agreement with FEM&T dated April 15, 2003 and amended and restated in its entirety as of May 1, 2007. The authorization shall be effective for a term of five (5) years beginning on July 16, 2008, and extending through July 15, 2013.

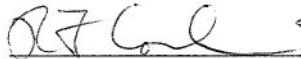
B. This natural gas may be exported at a point on the international border between the United States and Mexico on EPNGC's pipeline near Clint, Texas.

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, TAC 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 exports of natural gas have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If exports have not occurred, a report of "no activity" for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination; (2) the point(s) of exit; and (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); and (7) the estimated or actual duration of the supply agreement(s). [OMB No.: 1901-0294]

D. The first monthly report required by this Order is due not later than August 30, 2008, and should cover the reporting period from July 16, 2008 through July 31, 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 or ngreports@hq.doe.gov, or may be faced to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on June 20, 2008.



R. F. Corbin

Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy