

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BG ENERGY MERCHANTS, LLC

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)
) FE DOCKET NO. 10-58-NG

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

DOE/FE ORDER NO. 2798

JUNE 7, 2010

I. DESCRIPTION OF REQUEST

On June 1, 2010, BG Energy Merchants, LLC (BGEM) 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 blanket authorization to import and export up to a combined total of 40 billion cubic feet (Bcf) of natural gas from and to Canada and Mexico. The applicant requests the authorization be granted for a two-year term beginning the date the Order is issued by FE. BGEM is a Delaware limited liability company with its principal place of business in Houston, Texas.

Additionally, BGEM was granted authorization in DOE/FE Order No. 2636 (Order No. 2636) to import and export natural gas from and to Canada for a two year term beginning July 1, 2009, and extending through June 30, 2011. In its application, BGEM requested that Order No. 2636 be vacated on the date the authorization sought in the instant application is issued by FE since the requested authorization in this docket will supersede the current blanket authorization.

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.

¹/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redelegation Order No. 00.002.04D (November 6, 2007).

The authorization sought by BGEM 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.

ORDER

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

A. BGEM is authorized to import and export up to a combined total of 40 Bcf of natural gas from and to Canada and 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 7, 2010, and extending through June 6, 2012.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada, and the United States and Mexico.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, BGEM 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 no imports and/or exports have been made, a report of “no activity” for that month must be filed. If imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic markets(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 July 30, 2010, and should cover the reporting period from June 7, 2010 through June 30, 2010.

E. All monthly report filings shall be made to 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 faxed to Ms. Caudillo at (202) 586-6050.

F. The blanket authorization issued to BGEM in Order No. 2636 on May 1, 2009, is hereby vacated upon issuance of this Order.

Issued in Washington, D.C., on June 7, 2010.



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