UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PHIBRO INC.	)	DOCKET NO. 03-74-NG

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

DOE/FE ORDER NO. 1920

NOVEMBER 17, 2003

I. DESCRIPTION OF REQUEST

On October 30, 2003, Phibro Inc. (Phibro) 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 400 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG) from Canada and Mexico, and to export up to 400 Bcf of natural gas to Canada and Mexico. Phibro requests the authorization be granted for a two-year term beginning on January 1, 2004.[2] Phibro is a Delaware corporation with its principal place of business in Westport, Connecticut.

II. FINDING

The application filed by Phibro has been evaluated to determine if the proposed import and export arrangements 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 from nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Phibro 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, are consistent with the public interest. This blanket order authorizes transactions under contracts 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. 00-002.4 (January 8, 2002).

2/ Phibro's current blanket import and export authority granted by DOE/FE Order No. 1744 expires on December 31, 2003 (2 FE ¶ 70,700).

<u>ORDER</u>

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

A. Phibro Inc. (Phibro) is authorized blanket authority to import up to 400 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG) from Canada and Mexico, and to export up to 400 Bcf of natural gas to Canada and Mexico. The term of the authority will begin on January 1, 2004, and extend through December 31, 2005.

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

C. With respect to the natural gas imports authorized by this Order, Phibro shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Phibro must report the details of each transactions, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; (8) the geographic market(s) served (for imports, by State); and for imports: (9) the number of tanker(s) or tanker truck(s) used; (9) whether sales are being made on an interruptible or firm basis; and, if applicable, (10) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than April 30, 2004, and should cover the period from January 1, 2004, until the end of the first calendar quarter, March 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on November 17, 2003.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy