

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

\_\_\_\_\_)  
DISTRIGAS CORPORATION ) FE DOCKET NO. 95-100-LNG  
\_\_\_\_\_)

ORDER GRANTING LONG-TERM AUTHORIZATION  
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1115

NOVEMBER 7, 1995

I. DESCRIPTION OF REQUEST

---

On October 30, 1995, Distrigas Corporation (Distrigas) 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> and DOE Delegation Order Nos. 204-111 and 0204-127, requesting authorization to import from Trinidad and other international sources 100 billion cubic feet (Bcf) of liquefied natural gas (LNG). The proposed term of the authorization would be for 40 years, beginning on delivery of the first shipment of LNG.<sup>2/</sup>

Distrigas is a corporation under the laws of the State of Delaware with its principal place of business in Boston, Massachusetts, and a wholly-owned subsidiary of Cabot LNG Corporation, which in-turn is a wholly-owned subsidiary of Cabot Corporation.

Distrigas is currently in the process of negotiating long-term arrangements for the purchase of LNG from Trinidad. Specifically, the natural gas will be supplied by Amoco Trinidad Oil Company from two dedicated fields and produced at a liquefaction plant currently under development by Atlantic LNG Company of Trinidad and Tobago located on the southeast coast of

---

1/ 15 U.S.C. 717b.

2/ Currently Distrigas is authorized to import LNG from Algeria and Nigeria under three separate long-term authorizations in DOE Order Nos. 271, 322 and 701 dated July 14, 1989, April 24, 1989, and November 6, 1989, respectively ( 70,231, 70,212 and

70,658). Distrigas is also authorized to import LNG under a blanket authorization in DOE Order No. 902 dated December 30, 1993 ( 70,914).

Trinidad. Distrigas would resell the LNG to its affiliate, Distrigas of Massachusetts (DOMAC), using existing facilities to offload the imported LNG. DOMAC will market the imported LNG in both liquid and vapor form to local distribution companies and other customers in the U.S. Northeast and Mid-Atlantic.

## II. FINDING \_\_\_\_\_

The application filed by Distrigas 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 importation of LNG is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Distrigas to import LNG from Trinidad and other international sources meets the section 3(c) criterion and, therefore, is consistent with the public interest.

## ORDER

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

A. Distrigas Corporation (Distrigas) is authorized to import from Trinidad and other countries, up to 100 Bcf per year of liquefied natural gas (LNG) for forty years, beginning on delivery of the first shipment of LNG. Distrigas shall import

these LNG volumes for sale to its affiliate, Distrigas of Massachusetts Corporation (DOMAC), at its LNG receiving terminal facility in Everett, Massachusetts.

B. Distrigas shall file with the Office of Fuels Programs all executed LNG supply contracts pertaining to the LNG to be imported within 30 days of their execution.

C. Within two weeks after LNG deliveries begin, Distrigas shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first LNG import authorized in Ordering Paragraph A above occurred.

D. With respect to the LNG imports authorized by this Order, Distrigas shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating, by month: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the names of the seller(s); (4) transporters, including the name of the LNG tankers used; (5) the average landed cost per MMBtu at the point of import; and (6) the per unit (MMBtu) demand/commodity charge breakdown of the price, if applicable. The reports shall also include the monthly volumes in Mcf taken by each of DOMAC's customers.

E. The first quarterly report required by Ordering Paragraph D of this Order is due within 30 days following the first calendar quarter in which deliveries commenced, but not later than January 30, 1999.

Issued in Washington, D.C., on November 7, 1995.

---

Anthony J. Como  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy