

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ENERGY UNLIMITED, INC.

FE DOCKET NO. 98-47-NG

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

DOE/FE ORDER NO. 1394

JUNE 29, 1998

I. DESCRIPTION OF REQUEST

On June 25, 1998, Energy Unlimited, Inc. 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⁾, and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import and export a combined total of up to 100 Bcf of natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico. In addition, Energy Unlimited, Inc. requests authority to import a portion of this LNG from other countries. The term of the proposed authorization would be for a period of two years beginning on the date of the initial delivery of either imports or exports, whichever occurs first. Energy Unlimited, Inc., a privately held corporation with its principal place of business in Plano, Texas, is an independent energy marketer of natural gas as well as electricity. The requested authorization would allow Energy Unlimited, Inc., to import and to export this gas under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING

The application filed by Energy Unlimited, Inc. 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 or export of natural gas, including LNG, from or 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 in general, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Energy Unlimited, Inc., to import and export natural gas, including LNG, from and to Canada and Mexico, nations with which free trade agreements are in effect, and import LNG from countries other than Canada and Mexico, meet 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.

ORDER

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

A. Energy Unlimited, Inc. is authorized to import and export a combined total of up to 100 Bcf of natural gas, including LNG, from and to Canada and Mexico. In addition, Energy Unlimited, Inc. may import a portion of this LNG from other countries. This authorization is for a period of two years beginning on the date of the initial delivery of either imports or exports, whichever occurs first. These transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, Energy Unlimited, Inc. shall provide written notification of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas, including LNG, imports and exports authorized by this Order, Energy Unlimited, Inc. shall file, within 30 days following each calendar quarter, quarterly reports indicating whether imports and exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas, including LNG, have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Energy Unlimited, Inc. must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports also shall provide the details of each import and export transaction, including: (1) the country of origin; (2) the name of the seller(s); (3) the name of the purchaser(s); (4) the estimated or actual duration of the agreement(s); (5) the name of the U.S. transporter(s), including the names of the LNG tankers used; (6) the point(s) of entry and exit; and (6) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. With respect to LNG imports, Energy Unlimited, Inc. shall provide the average landed cost per MMBtu at the point of import.

D. The notice and reports described in Ordering Paragraphs B and C of this Order shall be filed with the Office of

Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W. Washington, D.C. 20585

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1998, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on June 29, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.