

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
INTERNATIONAL GAS IMPORTS, L.L.C.) FE DOCKET NO. 99-28-LNG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1478

APRIL 22, 1999

I. DESCRIPTION OF REQUEST

On April 19, 1999, International Gas Imports, L.L.C. (IGI) 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/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 150 Bcf annually of liquefied natural gas (LNG) over a two-year term beginning on the date of acquisition of the first shipment of LNG. IGI asserts the LNG would be imported from various international sources to LNG receiving facilities in the United States and its territories. IGI, a limited liability company, has its principal place of business in Middleburg, Virginia. It is owned equally by P.E.R.L. of U.S.A., Inc., International Gas and Power Ventures, Inc., and Synergy Development Corporation.

IGI would import the LNG under short-term purchase arrangements. The regassified LNG would be sold on a short-term or spot market basis to U.S. pipelines, distribution companies, marketers, and/or end-users under contracts to be negotiated. The requested authorization does not involve the construction of any new pipeline or LNG receiving facilities.

II. FINDING

The application filed by IGI 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 IGI to import LNG meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under gas purchase contracts with terms of no longer than two years. Consistent

^{1/} 15 U.S.C. § 717b.

with our treatment of similar blanket applications, there will be no restriction on the annual volumes that may be imported. The absence of an annual volume limit maximizes the flexibility of spot market importers and exporters to provide gas supplies to meet customer demand.

ORDER

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

A. International Gas Imports, L.L.C. (IGI) is authorized to import up to 300 Bcf of liquefied natural gas (LNG) from various international sources over a two-year term beginning on the date of acquisition of the first shipment of LNG. This LNG may be imported at any receiving facility in the United States, or its territories.

B. Within two weeks after deliveries begin, IGI must provide written notification of the date that the first import of LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the LNG imports authorized by this Order, IGI will file within 30 days following each calendar quarter, quarterly reports indicating whether imports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, IGI will report by month: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the name(s) of the seller(s); (4) the point(s) of entry; (5) the name(s) of the LNG tankers used; (6) estimated or actual duration of the agreements; (7) the geographic market(s) served; (8) the average landed cost per MMBtu at the point of import; and (9) the per unit (MMBtu) demand/commodity charge breakdown of the price, if applicable. The reports also will include the monthly volumes in Mcf taken by each of IGI's customers.

D. The notification and reports described in Ordering Paragraphs B and C of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, DC 20585.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1999, and will cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1999.

Issued in Washington, D.C., on April 22, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy