

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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ENRON INTERNATIONAL GAS SALES COMPANY ) FE DOCKET NO. 99-33-LNG

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ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO.1485

MAY 24, 1999

## I. DESCRIPTION OF REQUEST

On May 20, 1999, Enron International Gas Sales Company (EIGS) 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. 0204-111 and 204-127, for authorization to import up to 300 Bcf of liquefied natural gas (LNG) annually for a two-year term beginning on the date of first delivery. EIGS asserts the LNG would be imported from various international sources to existing LNG receiving facilities in the United States and its territories. EIGS is a Delaware company, and a wholly-owned subsidiary of Enron International Inc., with its principal place of business in Houston, Texas. EIGS is an importer of LNG and a marketer of regasified LNG in the United States.

EIGS will import the LNG under spot and short-term purchase arrangements. The regasified 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 proposed authorization does not involve the construction of new pipeline or LNG receiving facilities.

## II. FINDING

The application filed by EIGS 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 import of LNG is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by EIGS to import LNG meets the section 3(c)

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<sup>1/</sup> 15 U.S.C. § 717b.

criterion and, therefore, is consistent with the public interest. Consistent with our treatment of similar blanket applications, there will be no restriction on the annual volumes that may be imported. This blanket Order authorizes transactions under gas purchase contracts with terms of no longer than two years.

### ORDER

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

A. Enron International Gas Sales Company (EIGS) is authorized to import up to 600 Bcf of liquefied natural gas (LNG) over a two-year term beginning on the date of acquisition of the first shipment of LNG.

B. This LNG may be imported at any receiving facility in the United States, or its territories.

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

D. With respect to the LNG imports authorized by this Order, EIGS shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports of LNG have been made. If no imports of LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, EIGS must report by month: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the name(s) of the sellers(s); (4) the point(s) of entry; (5) the name(s) of the LNG tankers used; (6) the 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/reservation charge breakdown of the contract

price, if applicable. The reports also will include the monthly volumes in Mcf taken by each of EIGS' customers.

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

F. The notification and quarterly reports required by Ordering Paragraphs C and D of this Order shall 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, D.C. 20585.

Issued in Washington, D.C., on May 24, 1999.

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