

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CORAL ENERGY RESOURCES, L.P.) FE DOCKET NO. 99-37-LNG
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ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1489

JUNE 11, 1999

I. DESCRIPTION OF REQUEST

On June 1, 1999, Coral Energy Resources, L.P. (Coral) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 50 billion cubic feet annually of liquefied natural gas (LNG), plus gas for fuel and other transportation use, from various international sources, including Australia and Malaysia, over a two-year term beginning on the date of first shipment of LNG. Coral, a marketer of natural gas, is a Delaware limited partnership with its principal place of business in Houston, Texas. Coral is indirectly owned by Shell Oil Company, Tejas Energy, LLC and Shell Canada Ltd. Coral will use the existing facilities at Lake Charles, Louisiana, or Cove Point, Maryland, or other existing LNG facilities in the United States, to off-load the imported LNG.

II. FINDING

The application filed by Coral 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 Coral to import LNG meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years. Consistent with our treatment of similar blanket applications, the authorization will be approved for a two-year

^{1/} 15 U.S.C. § 717b.

period and 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. Coral Energy Resources, L.P. (Coral) is authorized to import up to 100 billion cubic feet of liquefied natural gas (LNG) from various international sources over a two-year term beginning on the date of the first import 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, Coral shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities 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, Coral shall file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of LNG have been made during that quarter. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Coral 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; (4) the point(s) of entry; (5) the name of the transporters, including the name of the LNG tankers used; (6) estimated or actual duration of the agreements; (7) the geographic market(s) served (by state); and (8) the average

landed cost per MMBtu at the point of import. The reports shall also include the monthly volumes in Mcf taken by each of Coral's customers. [OMB No.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C 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 second calendar quarter, June 30, 1999.

E. The notification and reports required by Ordering Paragraphs B and C 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 June 11, 1999.

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