

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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AMOCO ENERGY TRADING CORPORATION ) FE DOCKET NO. 99-96-LNG  
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ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1542

NOVEMBER 23, 1999

## I. DESCRIPTION OF REQUEST

On November 12, 1999, as supplemented November 17, 1999, Amoco Energy Trading Corporation (Amoco) 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 600 Bcf of liquefied natural gas (LNG) for a two-year term beginning on the date of first delivery. Amoco asserts the LNG would be imported from various international sources to the facilities at Lake Charles, Louisiana, Cove Point, Maryland, or other existing LNG receiving facilities in the United States. Amoco is a Delaware company with its principal place of business in Houston, Texas. Amoco is an indirect subsidiary of BP Amoco, P.L.C., an integrated company engaged in the exploration, production, refining, transportation and marketing of oil, natural gas and other hydrocarbons.

Amoco will resell the LNG, and/or regasified LNG on a short-term or spot market basis. The proposed authorization does not involve the construction of new pipeline or LNG receiving facilities.

## II. FINDING

The application filed by Amoco 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 Amoco 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.

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<sup>1/</sup> 15 U.S.C. § 717b.

ORDER

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

A. Amoco Energy Trading Corporation (Amoco) is authorized to import up to 600 Bcf of liquefied natural gas (LNG) over a two-year term beginning on the date of the first delivery of LNG.

B. This LNG may be imported at any receiving facility in the United States, or its territories. However, Amoco shall not import any of these volumes into the existing, but currently mothballed facilities located at Cove Point, Maryland, and Elbe Island, Georgia, until the owners and operators are in compliance with any certificates of public convenience and necessity issued by the Federal Energy Regulatory Commission pursuant to sections 3(a) and 7(c) of the Natural Gas Act of 1938, concerning the re-commissioning of these LNG terminal facilities.

C. Within two weeks after deliveries begin, Amoco 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, Amoco 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, Amoco 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 customer of Amoco. (OMB Nos.: 1901-0294)

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 2000, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 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 November 23, 1999.

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