

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

APPLIED LNG TECHNOLOGIES USA, L.L.C.

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) **FE DOCKET NO. 00-59-LNG**
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**ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS TO MEXICO**

DOE/FE ORDER NO. 1621

AUGUST 17, 2000

I. DESCRIPTION OF REQUEST

On August 15, 2000, Applied LNG Technologies USA, L.L.C. (ALT) filed an application with the Office of Fossil Energy (FE) 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 export liquefied natural gas (LNG) to Mexico over a two-year term beginning on August 19, 2000.^{2/} ALT is a Delaware limited liability corporation with its principal place of business in Amarillo, Texas. ALT is in the business of buying, transporting and selling LNG. Under the instant export proposal, ALT plans on exporting up to 86,000 gallons of LNG per day, or 62,780,000 gallons (approximately 5.2 billion cubic feet) over a two-year period. ALT states that it plans on purchasing the LNG for export from LNG plants owned and operated by Exxon U.S.A., Williams Field Services and El Paso Natural Gas. ALT plans on transporting the LNG by truck and selling it to various industrial and manufacturing facilities that use natural gas in their operations under spot and short-term sales arrangements. The requested authorization does not involve the construction of any new facilities.

II. FINDING

The application filed by ALT has been evaluated to determine if the proposed 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 from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public

^{1/} 15 U.S.C. § 717b.

^{2/} August 18, 2000, is the expiration date of ALT's current blanket authorization issued May 29, 1998 in DOE/FE Order No. 1389 (1 FE ¶ 71,568).

interest and must be granted without modification or delay. The authorization sought by ALT to export LNG to Mexico, a nation with which a free trade agreement is in effect, 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.

ORDER

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

A. Applied LNG Technologies USA, L.L.C. (ALT) is authorized to export up to 62.8 million gallons (approximately 5.2 billion cubic feet) of liquefied natural gas (LNG) to Mexico over a two-year term beginning on August 19, 2000, and extending through August 18, 2002. This natural gas may be exported at any United States/Mexico border point.

B. With respect to the LNG exports authorized by this Order, ALT shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether exports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, ALT must report monthly the following: (1) total volumes in Mcf; (2) the average sales price of the LNG per MMBtu at the international border; (3) the source(s) of the LNG; (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the number of trucks used; and (7) the point(s) of exit. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than October 30, 2000, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 2000.

D. The quarterly reports required by Ordering Paragraph B 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 August 17, 2000.

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