

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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ENRON LNG MARKETING LLC

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FE DOCKET NO. 00-74-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1640

NOVEMBER 3, 2000

## I. DESCRIPTION OF REQUEST

On October 18, 2000, Enron LNG Marketing LLC (ELM) 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 0204-127, for blanket authorization to import up to 300 billion cubic feet of liquefied natural gas (LNG) over a two-year term beginning on the date of first delivery. ELM, a Delaware corporation with its principal place of business in Houston, Texas, is an indirect wholly-owned subsidiary of Enron Corp. ELM requests authority to import the LNG for resale under spot and short-term sales arrangements on its own behalf as well as the behalf of others. ELM may also negotiate with U.S. pipelines and local distribution companies to arrange transportation of the imported LNG. The proposed authorization does not involve the construction of new pipeline or LNG receiving facilities.

## II. FINDING

The application filed by ELM 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 ELM to import LNG from international sources not subject to trading sanctions 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.

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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. Enron LNG Marketing LLC (ELM) is authorized to import up to 300 billion cubic feet of liquefied natural gas (LNG) over a two-year term beginning on the date of first delivery. This LNG may be imported at any receiving facility in United States or its territories.

B. Within two weeks after deliveries begin, ELM shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first import authorized in Ordering Paragraph A above occurred.

C. With respect to the LNG imports authorized by this Order, ELM shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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, ELM must report by month: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the name of the seller(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 ELM.

[OMB No.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2001, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 2000.

E. The notification and quarterly 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 November 3, 2000.

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