

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DISTRIGAS LLC

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FE DOCKET NO. 00-79-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1646

NOVEMBER 15, 2000

I. DESCRIPTION OF REQUEST

On October 27, 2000, Distrigas LLC (Distrigas) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 100 billion cubic feet of liquefied natural gas (LNG) from various international sources for a two-year period beginning on the date of first import delivery after November 30, 2000.^{2/} Distrigas, a Delaware corporation with its principal place of business in Boston, Massachusetts, is a wholly-owned subsidiary of Cabot LNG LLC, which in turn is wholly-owned by Tractebel, Inc. Distrigas proposes to sell its imported LNG to its affiliate Distrigas of Massachusetts LLC, which owns and operates an LNG receiving terminal in Everett, Massachusetts. The requested authorization does not involve the construction of new pipeline or LNG receiving facilities.

II. FINDING

The application filed by Distrigas 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 Distrigas to import LNG from various international sources not subject to trading sanctions meets the section 3(c) criterion and,

^{1/} 15 U.S.C. § 717b.

^{2/} November 30, 2000, is the expiration date of Distrigas' import authorization granted by DOE/FE Order No. 1405 on August 13, 1998 (2 FE ¶ 70,214).

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. Dstrigas LLC (Dstrigas) is authorized to import up to 100 billion cubic feet of liquefied natural gas (LNG), from any foreign supplier of LNG, over a two-year term beginning on the date of first import delivery after November 30, 2000. This LNG may be imported at any receiving facility in United States, or its territories.

B. Within two weeks after deliveries begin, Dstrigas 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, Dstrigas 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, Dstrigas 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 Distrigas of Massachusetts LLC. [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 December 1, 2000, 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 15, 2000.

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