

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**EL PASO MERCHANT ENERGY - GAS, L.P.**

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**FE DOCKET NO. 00-90-LNG**

**ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS**

**DOE/FE ORDER NO. 1653**

**NOVEMBER 21, 2000**

## I. DESCRIPTION OF REQUEST

On November 16, 2000, El Paso Merchant Energy - Gas, L.P. (El Paso) filed an application with the Office of Fossil Energy (FE) 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 authority to import up to 200 Bcf of liquefied natural gas (LNG). The term of the authorization would be for two years beginning on the date of delivery of the first shipment. El Paso, a Delaware limited partnership located in Houston, Texas, is a major U.S. marketer and broker of natural gas to local distribution companies, other marketing companies, and end users. It is a wholly-owned subsidiary of El Paso Energy Corporation. El Paso asserts the LNG shipments would be purchased and imported from various international suppliers to existing receiving facilities in the United States under short-term purchase arrangements.

## II. FINDING

The application filed by El Paso 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 El Paso to import LNG from various 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 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. El Paso Merchant Energy - Gas, L.P. (El Paso) is authorized to import up to 200 Bcf of liquefied natural gas (LNG) from various international sources over a two-year term beginning on the date of the first delivery. This LNG may be imported at any receiving facility in the United States or its territories.

B. Within two weeks after deliveries begin, El Paso will provide written notification 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, El Paso will file within 30 days following each calendar quarter, reports indicating whether imports 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, El Paso must report, by month, the following information: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the name(s) 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 U.S. geographic market(s) served (by State); (8) the average landed cost per MMBtu at the point of import; and (9) the per unit (MMBtu) demand/commodity charge breakdown of the price, if applicable. The reports will also include the monthly volumes in Mcf taken by each of El Paso's resale customers. [OMB No.: 1901-0294]

D. The notice and reports required by Ordering Paragraphs B and C of this Order will 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.

E. 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.

Issued in Washington, D.C., on November 21, 2000.

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