

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TRACTEBEL ENERGY MARKETING, INC.)
_____)

FE DOCKET NO. 01-21-LNG

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

DOE/FE ORDER NO. 1685

MAY 24, 2001

I. DESCRIPTION OF REQUEST

On May 15, 2001, Tractebel Energy Marketing, Inc. (TEMI) 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),^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket-type authority to import up to 100 billion cubic feet (Bcf) (equivalent) of liquefied natural gas (LNG) for short-term and spot sales in the United States. The source of the imported LNG has not yet been determined but it will come from countries with which trade has not been prohibited. The supplies will be converted back to natural gas vapor at an existing LNG re-gasification and handling plant on the East or Gulf Coast. The authorization is for two years beginning on the date TEMI's first shipment arrives by tanker at the LNG plant's marine unloading terminal.

TEMI is a marketer of natural gas and electricity within the United States, Canada, and Mexico and its principal place of business is in Houston, Texas. It is a wholly owned subsidiary of Tractebel North America, Inc. The proposed imports involve no new construction of plant or terminal facilities. Each cargo of LNG will be purchased at negotiated contract terms responsive to then prevailing market conditions, which will enable resales of these imports to individual customers on a competitive basis.

II. FINDING

The application filed by TEMI 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 TEMI to import LNG meets the

^{1/} 15 U.S.C. § 717b.

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.

ORDER

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

A. Tractebel Energy Marketing, Inc. (TEMI) is authorized to import up to 100 Bcf (equivalent) of 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 existing receiving facility in the United States.

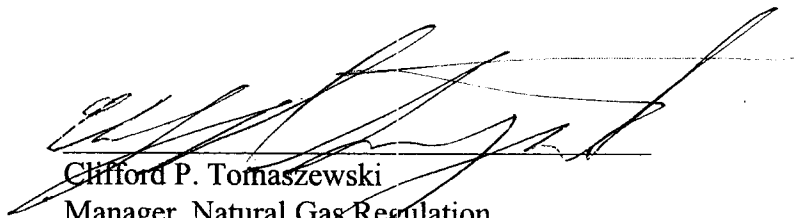
B. Within two weeks after deliveries begin, TEMI will provide written notification of the date that the first import of LNG authorized in Ordering Paragraph A, above, occurred.

C. With respect to the LNG imports authorized by this Order, TEMI 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, TEMI 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 geographic market(s) served; (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 TEMI's 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 July 30, 2001, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 2001.

Issued in Washington, D.C., on May 24, 2001.



Clifford P. Tomaszewski
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