

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**CMS MARKETING,  
SERVICES AND TRADING COMPANY**

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**FE DOCKET NO. 01-24-LNG**

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

**DOE/FE ORDER NO. 1686**

**MAY 30, 2001**

## I. DESCRIPTION OF REQUEST

On May 24, 2001, CMS Marketing, Services and Trading Company (CMS) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>1/</sup> (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import an amount of liquefied natural gas (LNG) equivalent to 440 billion cubic feet of natural gas from various international sources over a two-year term beginning on the date of first acquisition after June 4, 2001.<sup>2/</sup> CMS, a Michigan corporation with its principal place of business in Houston, Texas, is an indirect subsidiary of CMS Energy Corporation.

CMS states that the requested authorization will enable them to import the LNG under short-term or spot market contracts for sale to domestic pipelines, distribution companies, marketers, and/or end-users under contracts to be negotiated. CMS will either purchase or resell the imported gas, or possibly act as an agent for other sellers, and may also negotiate with domestic pipelines and local distribution companies to arrange transportation of the imported volumes. The requested authorization does not involve the construction of new facilities.

## II. FINDING

The application filed by CMS 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> June 4, 2001, is the expiration date of CMS's current import authorization granted by DOE/FE Order No. 1469 on March 12, 1999, (2 FE ¶ 70,307).

modification or delay. The authorization sought by CMS to import LNG 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. CMS Marketing, Services and Trading Company (CMS) is authorized to import up to a combined total of liquefied natural gas (LNG) equivalent to 440 billion cubic feet of natural gas from various international sources over a two-year term beginning on the date of first import delivery after June 4, 2001. This LNG may be imported at any receiving facility in the United States or its territories.

B. Within two weeks after deliveries begin, CMS 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, CMS shall file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of LNG have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, CMS must report by month: (1) the total volumes 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 agreement(s); (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

price, if applicable. The reports will also include the monthly volumes in Mcf taken by each customer of CMS. [OMB No.: 1901-0294]

D. 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 June 5, 2001, until the end of the second calendar quarter, June 30, 2001.

E. The notification and 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 May 30, 2001.



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