

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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EL PASO GLOBAL GAS (CAYMAN) COMPANY )

FE DOCKET NO. 01-43-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1706

SEPTEMBER 12, 2001

## I. DESCRIPTION OF REQUEST

On August 28, 2001, El Paso Global Gas (Cayman) Company (Applicant) 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 a combined total of 200 billion cubic feet (Bcf) of liquefied natural gas (LNG) from various international sources over a two-year term beginning on the date of the first delivery. Applicant, a Cayman Islands corporation with its principal place of business in George Town, Grand Cayman, Cayman Islands, is a major marketer and broker of natural gas to local distribution companies, other marketing companies and end users and is also engaged in the business of purchasing and importing LNG. Applicant is a wholly-owned indirect subsidiary of El Paso Energy Corporation. Applicant plans to participate in short-term and spot-market transactions with LNG suppliers. Specific information regarding participants and terms and conditions of the proposed imports has not been determined at present, but the LNG will come from countries with which trade has not been prohibited. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

## II. FINDING

The application filed by Applicant 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 Applicant to import LNG from various international sources not subject to

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<sup>1/</sup> 15 U.S.C. § 717b.

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.

### ORDER

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

A. El Paso Global Gas (Cayman) Company (Applicant) is authorized to import up to a combined total of 200 billion cubic feet 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 or its territories.

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

C. With respect to the LNG imports authorized by this Order, Applicant 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 LNG imports have not been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Applicant must report the following: (1) the country of origin; (2) total monthly volumes in Mcf and MMBtu; (3) the name of the seller(s); (4) the point(s) of entry; (5) the name(s) of the LNG tanker used; (6) the estimated or actual duration of the agreement(s); (7) the geographic markets(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.

The reports shall also include the monthly volumes in Mcf taken by each of Applicant's customers.

[OMB No.: 1901-0294]

D. 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 2001, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 2001.

Issued in Washington, D.C., on September 12, 2001.

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Guido DeHoratiis  
Acting Deputy Assistant Secretary  
Office of Natural Gas & Petroleum Technology  
Office of Fossil Energy