

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

SMALL VENTURES U.S.A., L.L.C.) **FE DOCKET NO. 01-54-LNG**
)

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

DOE/FE ORDER NO. 1718

OCTOBER 16, 2001

I. DESCRIPTION OF REQUEST

On October 5, 2001, as modified October 12, 2001, Small Ventures U.S.A., L.L.C. (Small Ventures) 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 authority to import up to 80 billion cubic feet (Bcf) of liquefied natural gas (LNG). Small Ventures asserts the LNG would be imported by ship 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. In addition, Small Ventures may import LNG by truck from plants in Canada. The authorization would be for two years beginning on the date the first LNG shipment is imported. The proposed imports involve no new construction of plant or terminal facilities.

Small Ventures is a Texas limited liability corporation with its principal place of business in Houston, Texas, and a marketer and trader of gas derivatives. Each LNG import transaction would be on a spot or short-term basis for resale to customers either in its liquid state or after it has been re-gasified. All cargoes will be purchased at negotiated contract terms responsive to prevailing market conditions, which will enable resales of these imports to individual customers on a competitive basis. Small Ventures intends to conduct business either on its own behalf or as the agent for others.

^{1/} 15 U.S.C. § 717b .

II. FINDING

The application filed by Small Ventures 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 Small Venture to import LNG meets the 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. Small Ventures U.S.A., L.L.C. (Small Ventures) is authorized to import up to 80 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 U.S./Canada border crossing or coastal LNG receiving facility in the United States.

B. Within two weeks after deliveries begin, Small Ventures 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, Small Ventures 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, Small Ventures must report, by month, the following information: (1) the total volume of imports both in thousand cubic feet (Mcf) and million British thermal units (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 Small Ventures' 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, 2002, and will cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on October 16, 2001.

Thomas W. Dukes
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
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