

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**APPLIED LNG TECHNOLOGIES**  
**USA, L.L.C.**

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**FE DOCKET NO. 02-54-LNG**

**ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS TO MEXICO**

**DOE/FE ORDER NO. 1803**

**AUGUST 13, 2002**

## I. DESCRIPTION OF REQUEST

On August 5, 2002, Applied LNG Technologies USA, L.L.C. (ALT) 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>, for blanket-type authority to export to Mexico an amount of liquefied natural gas (LNG) equal to approximately 5.44 billion cubic feet (Bcf). The exports will begin August 19, 2002, and extend for two years through August 18, 2004. ALT, a Delaware limited liability corporation with its headquarters in Amarillo, Texas, is in the business of buying, transporting and selling LNG. It plans to purchase the LNG from plants owned and operated by Exxon U.S.A., El Paso Natural Gas, and Texas LNG. Afterward, ALT will transport the LNG into Mexico by truck and sell it under short-term and spot market arrangements to various industrial and manufacturing facilities that use natural gas in their operations. The requested authorization does not involve the construction of any LNG plant facilities.

Two years ago, FE authorized ALT to export to Mexico a comparable amount of LNG on a short-term, blanket basis. The current authority expires August 18, 2002.<sup>2/</sup> Granting a new authorization enables ALT to continue those arrangements for two more years under identical conditions. Once more, each sales transaction will be freely negotiated and structured to provide for a market-based price.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

<sup>2/</sup> See DOE/FE Order No. 1621 issued August 17, 2000 (2 FE ¶ 70,525).

## II. FINDING

The application filed by ALT has been evaluated to determine if the proposed export 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 or export of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by ALT to export natural gas to Mexico, a nation with which a free trade agreement is in effect, 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. Applied LNG Technologies USA, L.L.C. (ALT) is authorized to export to Mexico an amount of liquefied natural gas (LNG) equal to 5.44 Bcf. This authority is for two years beginning August 19, 2002, and extending through August 18, 2004. The LNG may be exported at any United States/Mexico border point.

B. With respect to the exports authorized by this Order, ALT will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether exports of LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that

calendar quarter must be filed. If exports have occurred, ALT must report the following information:

(1) total monthly volumes in Mcf; (2) the average sales price of the LNG per MMBtu at the international border; (3) the source(s) of the LNG; (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the number of trucks used; and (7) the point(s) of exit.

C. The reports required by 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.

D. The first quarterly report required by Ordering Paragraph B is due not later than October 30, 2002, and should cover the period from August 19, 2002, until the end of the third calendar quarter, September 30, 2002.

Issued in Washington, D.C., on August 13, 2002.

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Office of Natural Gas & Petroleum  
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