

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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MARATHON LNG MARKETING LLC )  
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FE DOCKET NO. 02-79-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1827

NOVEMBER 5, 2002

## I. DESCRIPTION OF REQUEST

On October 29, 2002, as amended on November 4, 2002, Marathon LNG Marketing LLC (Marathon LNG) 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> for authorization to import from various international sources, up to 116 Bcf of liquefied natural gas (LNG) over a two-year term, beginning on November 5, 2002. Marathon LNG, a Delaware corporation with its place of business in Houston, Texas, is a wholly-owned subsidiary of Marathon Oil Company which in turn is a wholly-owned subsidiary of Marathon Oil Corporation. Marathon LNG will purchase the competitively priced LNG from various international sources (where trade has not been prohibited) and possibly its affiliates. The imported LNG will then be resold in the United States. The proposed authorization does not involve the construction of new pipeline or LNG receiving facilities.

## II. FINDING

The application filed by Marathon LNG 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 modification or delay. The authorization sought by Marathon LNG 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.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2002).

ORDER

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

A. Marathon LNG Marketing LLC (Marathon LNG) is authorized to import up to 116 Bcf of liquefied natural gas (LNG) from various international source, over a two-year term, beginning on November 5, 2002, and extending through November 4, 2004.

B. This LNG may be imported at any existing receiving facility in the United States or its territories.

C. With respect to the natural gas imports authorized by this Order, Marathon LNG 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. If no imports of LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Marathon LNG must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each transaction, including: (1) the country of origin; (2) name of the sellers(s); (3) the name of the purchaser(s); (4) the estimated or actual duration of the agreement(s); (5) the name(s) of the LNG tankers used; (6) the point(s) of entry; (7) the geographic market(s) served (by State); (8) whether sales are being made on an interruptible or firm basis; and, if applicable (9) the per unit (MMBtu) demand/commodity/reservation charge breakdowns of the contract price. [OMB NO. : 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2003, and should cover the period from November 5, 2002, until the end of the fourth calendar quarter, December 31, 2002.

E. The quarterly reports required by Ordering Paragraph 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 November 5, 2002.

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Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy