

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

OLEUM ENERGY CORPORATION

FE DOCKET NO. 02-102-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1848

JANUARY 15, 2003

I. DESCRIPTION OF REQUEST

On December 24, 2002, Oleum Energy Corporation (Oleum) filed an application with the Office of Fossil Energy 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 authorization to import up to 20 billion cubic feet (Bcf) of liquefied natural gas (LNG) from various international sources for a two-year period beginning on April 15, 2003, and extending through April 14, 2005. Oleum is an Alberta corporation with its principal place of business in Edmonton, Alberta. Oleum is engaged in the business of purchasing LNG from various international gas producers, and reselling that gas throughout the United States. Oleum will import the LNG under short-term and spot market purchase transactions, either on its own behalf or as agent for others. The requested authorization does not involve the construction of new facilities.

II. FINDING

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

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

A. Oleum Energy Corporation (Oleum) is authorized to import up to 20 billion cubic feet (Bcf) of liquefied natural gas (LNG), from various international sources not subject to trade sanctions, over a two-year term beginning on April 15, 2003, and extending through April 14, 2005. This LNG may be imported at any receiving facility in the United States or its territories.

B. With respect to the LNG imports authorized by this Order, Oleum 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 no imports of LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Oleum must report by month: (1) the total volume of imports in Mcf and MMBtu; (2) the country of origin; (3) the name 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/reservation charge breakdown of the contract price, if applicable. The reports also will include the monthly volumes in Mcf taken by each customer of Oleum. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2003, and should cover the period from April 15, 2003, until the end of the second calendar quarter, June 30, 2003.

D. The reports required by Ordering Paragraph B 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 January 15, 2003.

Clifford P. Tomaszewski
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