

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BP ENERGY COMPANY

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FE DOCKET NO. 03-05-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1853

FEBRUARY 20, 2003

## I. DESCRIPTION OF REQUEST

On February 4, 2003, BP Energy Company (BP Energy) 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 blanket authorization to import up to a combined total of 1,200 billion cubic feet (Bcf) of liquefied natural gas (LNG) over a two-year term beginning on August 22, 2002, and extending through August 21, 2004.<sup>2/</sup> BP Energy asserts that the LNG would be imported from various international sources to the facilities at Lake Charles, Louisiana, Cove Point, Maryland, or other existing LNG receiving facilities in the United States. BP Energy is a Delaware corporation with its principal place of business in Houston, Texas, and is engaged in the marketing of both natural gas and electricity. BP Energy will resell the LNG, and/or regasified LNG on a short-term or spot-market basis. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

## II. FINDING

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

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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> BP Energy's blanket import authorization granted by DOE/FE Order No.1542 (2 FE ¶ 70,414) issued November 23, 1999, as amended by DOE/FE Order No. 1542-A (2 FE ¶ 70,547) issued October 19, 2000, expired August 21, 2002. Due to an administrative oversight, BP Energy inadvertently did not file in a timely manner.

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. BP Energy Company (BP Energy) is authorized to import up to a combined total of 1,200 billion cubic feet (Bcf) of liquefied natural gas (LNG) from various international sources over a two-year term beginning on August 22, 2002, and extending through August 21, 2004. This LNG may be imported at any existing receiving facility in the United States, or its territories.

B. With respect to the LNG imports authorized by this Order, BP Energy 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, BP Energy 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 BP Energy's customers.

[OMB No.: 1901-0294]

C. The quarterly 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2003, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 2003.

Issued in Washington, D.C., on February 20, 2003.

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Office of Fossil Energy