

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

STATOIL NATURAL GAS LLC

FE DOCKET NO. 03-16-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1864

APRIL 21, 2003

I. DESCRIPTION OF REQUEST

On April 3, 2003, Statoil Natural Gas LLC (Statoil) 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/} for blanket authorization to import up to a total of 190 billion cubic feet (Bcf) of liquefied natural gas (LNG) over a two-year term beginning on June 1, 2003, and extending through May 31, 2005. Statoil, a Delaware corporation, is headquartered in Stamford, Connecticut and is a wholly-owned subsidiary of Statoil North America Inc. Statoil proposes to import the LNG from various international sources primarily to the Cove Point, Maryland LNG terminal upon its reactivation, but also to any LNG receiving terminal that is currently in operation, or may be in operation within the United States or its territories during the term of the requested authorization. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING

The application filed by Statoil 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 Statoil 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.

^{1/} 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).

ORDER

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

A. Statoil Natural Gas LLC (Statoil) is authorized to import up to a total of 190 billion cubic feet (Bcf) of liquefied natural gas (LNG) from various international sources over a two-year term beginning on June 1, 2003, and extending through May 31, 2005. 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, Statoil 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, Statoil 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 Statoil'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 July 31, 2003, and should cover the period from June 1, 2003 until the end of the second calendar quarter, June 30, 2003.

Issued in Washington, D.C., on April 21, 2003.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
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