

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PADRE VALENCIA ENERGY)
CORPORATION)
_____)

FE DOCKET NO. 03-38-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1885

AUGUST 18, 2003

I. DESCRIPTION OF REQUEST

On July 29, 2003, as supplemented July 31, 2003, Padre Valencia Energy Corporation (PVE) 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 107 million cubic feet of liquefied natural gas (LNG) from various international sources. The authorization would be for a two-year term beginning on October 1, 2003. The applicant is a Delaware corporation with its principal place of business in New York, New York. PVE intends to import LNG on its own behalf or on behalf of others under short-term and spot-market arrangements. The proposed authorization does not involve the construction of new LNG facilities.

II. FINDING

The application 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 PVE 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 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 for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2003).

ORDER

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

A Padre Valencia Energy Corporation (PVE) is authorized to import up to 107 million cubic feet of liquefied natural gas (LNG) from various sources. The term of the authority will begin October 1, 2003, and extend through September 30, 2005.

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

C. With respect to the LNG imports authorized by this Order, PVE 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, the report must give the details of each transactions: (1) the country of origin; (2) total monthly volumes in thousand cubic feet (Mcf) and million British thermal units (MMBtu); (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the point(s) of entry; (6) the name(s) of the LNG tanker; (7) the estimated or actual duration of the agreement(s); (8) the geographic market(s) served (by State); (9) the average landed cost per MMBtu at the point of import; and, if applicable, (10) 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 PVE customers. [OMB NO.: 1901-0294]

D. The notification and reports required by 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.

E. The first quarterly report required by this Order is due not later than January 30, 2004, and should cover the period from October 1, 2003, until the end of the fourth calendar quarter, December 31, 2003.

Issued in Washington, D.C., on August 18, 2003.

Clifford P. Tomaszewski
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