

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

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DUKE ENERGY LNG MARKETING AND)
MANAGEMENT COMPANY)

FE DOCKET NO. 04-95-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 2025

OCTOBER 14, 2004

I. DESCRIPTION OF REQUEST

On October 5, 2004, Duke Energy LNG Marketing and Management Company (Duke) 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 the equivalent of 700 Bcf of liquefied natural gas (LNG) from various international sources. The authorization would be for a two-year term beginning on October 4, 2004.^{2/} The applicant is a Delaware corporation with its principal place of business in Houston, Texas.

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 Duke to import LNG from various international sources meets the section 3(c) criterion and, therefore, is consistent with the public interest so long as the LNG sources are not subject to trading sanctions. 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. 00-002.04 (January 8, 2002).

^{2/} October 3, 2004, is the expiration date of Duke's current blanket LNG import authorization granted by DOE/FE Order No. 1813 on October 4, 2002 (2 FE ¶ 70,788).

ORDER

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

A Duke Energy LNG Marketing and Management Company (Duke) is authorized to import up to the equivalent of 700 Bcf of liquefied natural gas (LNG). The term of the authority began on October 4, 2004, and extends through October 3, 2006.

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, Duke shall file with the Office of Natural Gas Regulatory 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 transaction: (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 Duke's customers.

[OMB NO.: 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from October 4, 2004, until the end of the fourth calendar quarter, December 31, 2004.

E. The reports required by this Order shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on October 14, 2004.



R. F. Corbin

Manager, Natural Gas Regulatory Activities
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Office of Fossil Energy