

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

RECEIVED

MAY 30 2007

DOE/OFE/NGR

STATOIL NATURAL GAS LLC

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DOCKET NO. 07-29-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS
FROM VARIOUS INTERNATIONAL SOURCES

DOE/FE ORDER NO. 2356

MAY 30, 2007

I. DESCRIPTION OF REQUEST

On April 12, 2007, 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 liquefied natural gas (LNG), in a total amount up to 200 million MMBtus (the equivalent of 200 billion cubic feet of natural gas), from various international sources. The applicant requests authorization for a two-year term beginning on June 1, 2007.^{2/} Statoil is a Delaware corporation with its principal place of business in Stamford, Connecticut.

II. COMMENTS

On April 27, 2007, DOE received a filing from Washington Gas Light Company (WGL) commenting on Statoil's application. WGL agreed with Statoil that there is a domestic need for increased natural gas supplies and imported LNG will help to fulfill that need, but felt that other factors should be considered in determining the public interest. WGL requested that DOE also consider the effect of LNG imports on its distribution infrastructure and proposed that conditions be added to the authorization to that effect. WGL also urged DOE to prepare an environmental impact statement assessing the effect that continued imports will have on the natural gas distribution infrastructure in the Washington, DC metropolitan area.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04C (January 30, 2007).

^{2/} *Statoil's authorization to import LNG granted by DOE/FE Order No. 2077 on March 15, 2005, extends through May 31, 2007 (2 FE ¶ 71,097).*

On May 15, 2007, the Office of People's Counsel for the State of Maryland (OPC) filed comments regarding the Statoil application and the WGL filing. OPC joined WGL's request that DOE conduct a complete review of the Statoil application. OPC felt that prior to approval of continued importation of LNG by Statoil, DOE needed to fully consider issues related to the impact of the LNG imports on the safe and reliable operation of WGL's distribution system. For that reason, OPC supported WGL's position that DOE consider the effect of LNG imports on WGL's distribution system infrastructure as part of its approval process. OPC also did not oppose consideration of the specific conditions requested by WGL.

III. 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 and export of natural gas from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG are 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 meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

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

A. Statoil Natural Gas LLC (Statoil) is authorized to import liquefied natural gas (LNG), in a total amount up to 200 million MMBtus (the equivalent of 200 billion cubic feet of natural gas), from various international sources pursuant to transactions that have terms of no longer than two years. The authorization shall be effective for a two-year term beginning on June 1, 2007, and extending through May 31, 2009.

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

C. **Monthly Reports:** With respect to the LNG imports authorized by this Order, Statoil shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether imports of LNG have been made. Monthly 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 month must be filed. If imports of LNG have occurred, the report must give the details of each LNG cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in thousand cubic feet (Mcf) and million British thermal units (MMBtu); (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list States). [OMB NO.: 1901-0294]

D. The first monthly report required by this Order is due not later than July 30, 2007, and should cover the reporting period from June 1, 2007 through June 30, 2007.

E. **Quarterly Reports:** With respect to the LNG imports authorized by this Order, Statoil 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 of LNG have occurred, the report must give the details of each LNG cargo: (1) the date of arrival at the U.S. receiving terminal; (2) the country of origin; (3) the name of the supplier/seller; (4) the name of the U.S. receiving terminal; (5) the name of the LNG tanker; (6) the volume in Mcf and MMBtu; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); (10) the geographic market served (list States). [OMB NO.: 1901-0294]

F. The first quarterly report required by this Order is due not later than July 30, 2007, and should cover the reporting period for the second calendar quarter, from June 1, 2007 through June 30, 2007.

G. 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 May 30, 2007.

A handwritten signature in black ink, appearing to read 'R. F. Corbin', is written over a horizontal line.

R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy