

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

DISTRIGAS LLC)
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FE DOCKET NO. 09-135-LNG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS FROM YEMEN

DOE/FE ORDER NO. 2752

FEBRUARY 16, 2010

I. DESCRIPTION OF REQUEST

On December 31, 2009, Distrigas LLC (Distrigas) 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 authority to import LNG up to the equivalent of 100 billion cubic feet (Bcf) of natural gas per year, from Yemen, over a term of 10 years beginning on February 19, 2010, and extending through February 18, 2020.

Distrigas is a Delaware limited liability company with its principal place of business in Boston, Massachusetts. Distrigas is a wholly-owned subsidiary of SUEZ LNG NA LLC. Distrigas proposes to import LNG from Yemen under an LNG Purchase and Sales Agreement (PSA) with GDF SUEZ Global LNG Supply S.A. (GDF SUEZ), effective August 1, 2009. Distrigas will import the LNG by vessel under the PSA into the LNG import and regasification facility located along the Mystic River in Everett, Massachusetts (Everett Terminal). The Everett Terminal is owned and operated by Distrigas' affiliate Distrigas of Massachusetts LLC (DOMAC). Distrigas may also import LNG purchased under the PSA into the Neptune LNG deepwater port facilities owned and operated by its affiliate, Neptune LNG LLC. The Neptune deepwater port facilities are located approximately ten miles offshore of Gloucester, Massachusetts and they connect to Algonquin Gas Transmission LLC's existing interstate pipeline facilities. The requested authorization, therefore, does not involve the construction of new LNG receiving facilities.

¹/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00.002.04D (November 6, 2007).

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 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 Distrigas to import LNG meets the section 3(c) criterion and, therefore, is deemed consistent with the public interest.

Recently, the United States Coast Guard (USCG) recommended increased security measures on Yemen-sourced LNG imports that will enter U.S. waters. In addition, the USCG Captain of the Port may require additional security measures on these LNG imports as necessary to ensure security of the port. In view of these increased security measures and pursuant to section 3(a) of the NGA, we find it necessary and appropriate to require that these LNG imports meet increased security measures from the USCG and/or other branches of the Department of Homeland Security in place now or added in the future to the satisfaction of the USCG.

ORDER

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

A. Distrigas is authorized to import LNG up to the equivalent of 100 Bcf of natural gas, from Yemen, per year over a term of 10 years beginning February 19, 2010, and extending through February 18, 2020.

B. This LNG may be imported at the LNG import and regasification facility located along the Mystic River in Everett, Massachusetts, or at the deepwater port facilities of Neptune LNG LLC at Gloucester, Massachusetts.

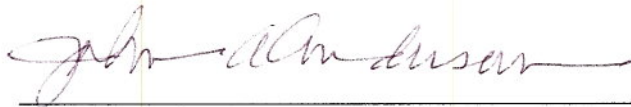
C. LNG imports that require increased security measures from the USCG and/or other branches of the Department of Homeland Security in place now or added in the future shall be met on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

D. **Monthly Reports:** With respect to the import of LNG authorized by this Order, Dstrigas shall file a report with the Office of Natural Gas Regulatory Activities within 30 days following the last day of each calendar month indicating whether imports of LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports have not occurred, a report of “no activity” for that month must be filed. If imports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in thousand cubic feet (Mcf); (7) the landed price per million British thermal units (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 State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No. 1901-0294]

E. The first monthly report required by this Order is due not later than March 30, 2010, and should cover the reporting period from February 19, 2010 through February 28, 2010.

F. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on February 16, 2010.



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