

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY**

OFFICE OF FOSSIL ENERGY

FINA NATURAL GAS COMPANY)
_____)

FE DOCKET NO. 91-51-NG

**ORDER AMENDING BLANKET AUTHORIZATION TO IMPORT
AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO
TO INCLUDE LIQUEFIED NATURAL GAS**

DOE/FE ORDER NO. 563-A

OCTOBER 02, 2000

I. DESCRIPTION OF REQUEST

On September 25, 2000, Fina Natural Gas Company filed an application with the Office of Fossil Energy Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, to amend its existing blanket import and export authorization issued December 27, 1991, in DOE/FE Opinion and Order No. 563 (Order 563).^{2/} Order 563 authorized Fina to import up to 100 Bcf of natural gas from Canada and Mexico and to export up to 100 Bcf of natural gas to Canada and Mexico by pipeline for a period of two years beginning on the date of the initial delivery. Deliveries under Order 563 have not yet begun. Fina is located in Houston, Texas, and markets gas produced by affiliated and non affiliated companies to local distribution companies and other users.

Fina requests Order 563 be amended to permit imports of up to 200 Bcf of liquefied natural gas (LNG) from various international sources to existing receiving facilities in the United States. The LNG will be imported to existing LNG receiving terminals during a two-year period concurrent with the term of Order 563. Fina will sell the regassified LNG to third parties, but does not yet know who those customers are.

II. FINDING

The application filed by Fina to amend Order 563 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 Fina to import LNG meets the

^{1/} 15 U.S.C. § 717b.

^{2/} 1 FE ¶70517.

section 3(c) criterion and, therefore, is consistent with the public interest. This amendment authorizes LNG sales transactions under contracts with terms of no longer than two years.

ORDER

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

A. DOE/FE Opinion and Order No. 563 (Order 563) is amended by granting Fina Natural Gas Company (Fina) authority to import up to 200 Bcf of liquefied natural gas (LNG) from any international source. The LNG imports are in addition to the volumes of natural gas Fina currently is authorized to import and export from and to Canada and Mexico. The LNG may be imported at any existing LNG receiving terminal in the United States or its territories over a period of two years beginning on the date of the first delivery of LNG, or the date of the first import or export of pipeline natural gas previously authorized in Order 563, whichever occurs first.

B. Fina shall include the following information in the quarterly reports required by Ordering Paragraph D of Order 563: (1) the total monthly volume of LNG imports in Mcf and MMBtu; (2) the country of origin; (3) the name(s) of the seller(s); (4) the point(s) of entry; (5) the names of the LNG tankers used; (6) the estimated or actual duration of the agreements; (7) the geographic market(s) served; (8) the average landed cost per MMBtu at the point(s) of import; and (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price, if applicable. The reports also will include the monthly volumes in Mcf taken by each customer of Fina. If no imports of LNG occur, a report of “no activity” for that calendar quarter must be filed.

C. The notification required by Paragraph C of Order 563 will include imports of LNG. The notification and reports required by Ordering Paragraphs C and D will 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. All terms and conditions contained in Order 563 will remain in full force and effect.

Issued in Washington, D.C., on October 02, 2000.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Petroleum
Export & Export Activities
Office of Fossil Energy