

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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DISTRIGAS LLC )  
\_\_\_\_\_)

FE DOCKET NO. 02-89-LNG

ORDER GRANTING BLANKET AUTHORIZATION  
TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1833

DECEMBER 3, 2002

## I. DESCRIPTION OF REQUEST

On November 26, 2002, 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)<sup>1/</sup>, for blanket authorization to import up to 100 billion cubic feet (Bcf) of liquefied natural gas (LNG), from various international sources. The authorization would be for a two-year term beginning on December 8, 2002,<sup>2/</sup> and extending through December 9, 2004. Distrigas, a Delaware limited liability company located in Boston, Massachusetts, is a wholly- owned subsidiary of Tractebel LNG North America LLC, which in turn is an indirect wholly-owned subsidiary of Tractebel North America, Inc. Distrigas proposes to sell its imported LNG to its affiliate, Distrigas of Massachusetts LLC, which owns and operates an LNG receiving terminal in Everett, Massachusetts. Distrigas asserts that the LNG will be imported under contract terms that will be competitive in the market. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

## II. FINDING

The application filed by Distrigas 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 Distrigas to import LNG from various international sources meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

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<sup>1/</sup> 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, 2002).

<sup>2/</sup> Distrigas's current blanket authority, expires December 9, 2002, granted by DOE/FE Order No. 1646 dated November 15, 2000, (2 FE ¶ 70,564).

ORDER

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

- A. Dstrigas LLC (Dstrigas) is authorized to import up to 100 Bcf of liquefied natural gas (LNG), from various international sources.
- B. The authority is for a two-year term beginning on December 9, 2002, and extending through December 8, 2004.
- C. This natural gas may be imported at any existing receiving facility in the United States or its territories.
- D. With respect to the LNG imports authorized by this Order, Dstrigas 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 no imports of LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Dstrigas must report the following: (1) the country of origin; (2) total volumes in Mcf and MMBtu; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name(s) of the LNG tanker(s) used; (7) the point(s) of entry (8) the geographic market(s) served (by State); (9) the average landed cost per MMBtu at the point of import; and (10) the per unit (MMBtu) demand/commodity/reservation charge breakdowns of the contract price.

[OMB NO.: 1901-0294]

- E. The quarterly 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.

F. The first quarterly report required by this Order is due not later than January 30, 2003, and should cover the period from December 9, 2002, through the end of the fourth calendar quarter, December 31, 2002.

Issued in Washington, D.C., on December 3, 2002.

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Clifford P. Tomaszewski  
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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy