

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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SHELL NA LNG LLC)
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DOCKET NO. 06-17-LNG

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

DOE/FE ORDER NO. 2203

MAY 22, 2006

I. DESCRIPTION OF REQUEST

On March 9, 2006, Shell NA LNG LLC, (Shell) 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), up to the equivalent of 800 billion cubic feet of liquefied natural gas, from various international sources. The applicant requests authorization for a two-year term beginning on April 29, 2006. Shell 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 Shell meets the section 3(c) criterion and, therefore, is consistent with the public interest. The 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. Shell NA LNG LLC, (Shell) is authorized to import up to 800 billion cubic feet of liquefied natural gas (LNG) from various international sources. The term of the authority began on April 29, 2006, and extends through April 28, 2008.

¹ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00.002.04A (April 13, 2005).

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, Shell shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last date 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 imports of LNG 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) 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.: 1901-0294]

D. The first monthly report required by this Order is due not later than June 30, 2006, and should cover the reporting period of May 1, 2006 through May 31, 2006.

E. **Quarterly Reports:** With respect to the LNG imports authorized by this Order, Shell 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 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); and (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, 2006, and should cover the period from April 29, 2006, until the end of the second quarter June 30, 2006.

G. The monthly and quarterly reports 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.

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