UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DISTRIGAS OF MASSACHUSETTS CORPORATION	)	FE DOCKET NO. 94-14-NG
	)	

ORDER GRANTING BLANKET AUTHORIZATION TO EXPORT
NATURAL GAS, INCLUDING LIQUEFIED NATURAL GAS, TO CANADA

DOE/FE ORDER NO. 950

MAY 17, 1994

I. DESCRIPTION OF REQUEST

On February 25, 1994, as supplemented March 8, 1994, Distrigas of Massachusetts Corporation (DOMAC) 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/ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to export up to 20 Bcf of natural gas, including liquefied natural gas (LNG), to Canada. The term of the authorization would be for two years beginning on the date of the first delivery.

DOMAC is a Delaware corporation with its principal place of business in Boston, Massachusetts. It owns and operates an LNG receiving terminal in Everett, Massachusetts. The company is a wholly-owned subsidiary of Cabot LNG Corporation, which in turn is a wholly-owned subsidiary of the Cabot Corporation.

DOMAC presently purchases LNG from its affiliate, Distrigas Corporation (Distrigas), and resells it in both liquid and vapor form to a variety of customers throughout the northeastern part of the United States. The volumes resold by DOMAC are imported by Distrigas from Algeria. In its application, DOMAC proposes to market supplies of natural gas and LNG to customers in Canada under spot and short-term transactions. No new pipeline construction would be involved. The exported LNG would be delivered by truck to peak shaving plants in eastern Canada.

1/ 15 U.S.C. 717b.

II. FINDING

The application filed by DOMAC has been evaluated to determine if the proposed export 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 export of natural gas and LNG to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by DOMAC to export natural gas and LNG to Canada, a nation with which a free trade agreement is in effect, 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.

ORDER

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

A. Distrigas of Massachusetts Corporation (DOMAC) is authorized to export to Canada up to 20 Bcf of natural gas, including liquefied natural gas (LNG), over a two-year term beginning on the date of the first delivery. This natural gas and LNG may be exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, DOMAC shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first export of LNG or natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas and LNG exports authorized by this Order, DOMAC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, DOMAC must report monthly total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U. S. pipeline(s) transporting the natural gas; (5) the point(s) of exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis.

D. The first quarterly report required by Paragraph C of this Order is due not later than July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

Issued in Washington, D.C., on May 17, 1994.

Anthony J. Como
Director
Office of Coal and Electricity
Office of Fuels Programs
Office of Fossil Energy