UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

LOUIS DREYFUS ENERGY CORP.	)	FE DOCKET NO. 94-61-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS,
INCLUDING LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 974

SEPTEMBER 12, 1994

I. DESCRIPTION OF REQUEST

On August 22, 1994, as amended on August 25, 1994, Louis Dreyfus Energy Corp. (L.D. Energy) 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, requesting blanket authorization to import and export natural gas and liquefied natural gas (LNG). Specifically, L.D. Energy proposes to import up to 182.5 Bcf of natural gas (including LNG) from Canada for sales to U.S. markets and perhaps export back to Canada, and to export up to 182.5 Bcf of natural gas (including LNG) from the United States to Mexico and Canada. The term of the proposed authorization would be for a period of two years beginning on the date of the first import or export delivery after September 30, 1994.2/

L.D. Energy is a Delaware corporation with its principal place of business in Wilton, Connecticut. L.D. Energy is a wholly-owned subsidiary of the Louis Dreyfus Corporation, a New York corporation engaged in the international and domestic trading of natural gas and other commodities. The natural gas and LNG would be purchased and sold under spot and short-term

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

2/ Imports of natural gas began under L.D. Energy's existing blanket import and export authorization on October 1, 1992. See DOE/FE Opinion and Order No. 670, issued September 21, 1992 (1 FE

70,637). Therefore, the two-year term of this prior order extends through September 30, 1994.

transactions. L.D. Energy may act on its own behalf in negotiating the contractual arrangements, or as an agent for the buyer or seller. The requested authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING

The application filed by L.D. Energy has been evaluated to determine if the proposed import and 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 import or export of natural gas from or 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 L.D. Energy to import and export natural gas and LNG from and to Canada and Mexico, nations with which there is in effect a free trade agreement, 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. Louis Dreyfus Energy Corp. (L.D. Energy) is authorized to import up to 182.5 Bcf of natural gas, including liquefied natural gas (LNG) from Canada; to export back to Canada up to

182.5 Bcf of imported Canadian natural gas, including LNG; and to export up 182.5 Bcf of domestically produced natural gas, including LNG, to Canada and Mexico. This authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first, after September 30, 1994. The natural gas and LNG may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, L.D. Energy shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the imports and exports authorized by this Order, L.D. Energy shall file with the OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas or LNG have been made. Quarterly reports must be filed whether or not deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, L.D. Energy must report total monthly volumes in Mcf and the average purchase price of gas and LNG per MMBtu at the international border. The reports shall also provide the details of each import and 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 United States transporter(s);

(5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1995, and should cover the period from October 1, 1994, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on September 12, 1994.

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