UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TRACTEBEL LNG NORTH AMERICA SERVICE CORPORATION	))))	**FE DOCKET NO. 02-33-LNG**

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 1784

MAY 31, 2002

I. DESCRIPTION OF REQUEST

On May 15, 2002, Tractebel LNG North America Service Corporation (NASCO) 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-type authority to import an amount of liquefied natural gas (LNG) equivalent to 100 billion cubic feet (Bcf). The authorization will be for two years beginning June 19, 2002, through June 19, 2004. This LNG will be imported by ship from countries with which trade has not been prohibited and it will be delivered at an existing LNG re-gasification and handling plant on the East or Gulf Coast. Each cargo will be purchased by NASCO at negotiated contract terms responsive to prevailing market conditions, which will enable resales of these imports to individual domestic customers, including its affiliate Distrigas of Massachusetts Corporation, on a competitive basis.

NASCO is a marketer of LNG with its headquarters in Boston, Massachusetts. It 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.[2/] Two years ago, when NASCO was known by its previous name, Cabot Energy Service Corporation (CESCO), FE authorized it to import an identical quantity of LNG on a blanket basis for sale in the short-term and spot market for natural gas and LNG. The current authorization expires June 18, 2002.[3/] Granting a new authorization enables NASCO to continue those arrangements for two more years under the same conditions. The proposed imports involve no new construction of plant or terminal facilities.

1/ 15 U.S.C. § 717b.

2/ Tractebel North America, Inc. is a developer and operator of independent power and industrial energy facilities across the country.

3/ *See* DOE/FE Order No. 1590 issued May 5, 2000 (2 FE ¶ 70,484). This order was amended on August 6, 2001, upon notification of CESCO's name change to NASCO. *See* DOE/FE Order No. 1590-A (2 FE ¶ 70,649).

II. FINDING

The application filed by NASCO 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 NASCO to import LNG 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. Tractebel LNG North America Service Corporation (NASCO) is authorized to import up to 100 Bcf (equivalent) of LNG over a period of two years commencing June 19, 2002, and continuing through June 18, 2004. This LNG may be imported at any LNG receiving facility in the United States.

B. With respect to the LNG imports authorized by this Order, NASCO will file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of LNG have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, NASCO must report the following information by month: (1) the total volumes of 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 name(s) of the LNG tankers used; (6) the estimated or actual duration of the agreement(s); (7) the geographic market(s) served; (8) the average landed cost per MMBtu at the point of import; and (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price, if applicable.

The reports will also include the monthly volumes in Mcf taken by each customer of NASCO. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2002, and should cover the period from June 19, 2002, until the end of the second calendar quarter, June 30, 2002.

D. The reports required by Ordering Paragraph B 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.

Issued in Washington, D.C., on May 31, 2002

Clifford P. Tomaszewski
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Office of Natural Gas & Petroleum
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