

Curtis D. Blanc  
Direct Dial (202) 639-6555  
Direct Fax (202) 879-8955  
cblanc@velaw.com

RECEIVED  
FE DOCKET ROOM  
2004 FEB 12 P 3:49  
OFFICE OF FOSSIL ENERGY  
U.S. DEPARTMENT OF ENERGY

3-20-02  
Expires March 21, 2004  
1500 Bcf 2 yrs  
Lake Charles - other exist - g  
February 12, 2004

Larine Moore  
Manager, Docket Room  
Office of Fossil Energy (FE-34)  
U.S. Department of Energy  
Room 3E-042  
1000 Independence, Avenue, S.W.  
Washington, D.C. 20585

Re: FE Docket No. ~~015~~ -LNG

Dear Ms. Moore:

Pursuant to Part 590 of the Department of Energy's Regulations, 10 C.F.R. § 590 (2000), please find enclosed an original and 15 copies of the application of ~~015~~ LNG Services, LLC for blanket authorization to import liquefied natural gas into the United States pursuant to Section 3 of the Natural Gas Act. Also please find enclosed a check for \$50 made payable to the Treasurer of the United States as required by 10 C.F.R. § 590.207.

Please date and stamp the enclosed extra copies of this application and return them to our messenger. Thank you for your attention to this matter.

Respectfully Submitted,



Curtis D. Blanc  
Attorney for BG LNG Services LLC

**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

**BG LNG Services, LLC**

)  
)  
)

FE Docket No. 04-15-LNG

**APPLICATION OF BG LNG SERVICES, LLC  
FOR BLANKET AUTHORIZATION  
TO IMPORT LNG**

Mark Evans  
Vice President Marketing, Logistics  
and Asset Optimization  
BG LNG Services, LLC  
5444 Westheimer, Suite 1775  
Houston, Texas 77056  
(713) 403-3748

John S. Decker  
Curtis D. Blanc  
Vinson & Elkins L.L.P.  
The Willard Office Building  
1455 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004-1008  
(202) 639-6599

February 12, 2004



## II. Background

BGLS is a limited liability company organized under the laws of the State of ~~Delaware~~, with its principal place of business at 5444 Westheimer, Suite 1775, ~~Houston, Texas 77056~~. BGLS is a wholly-owned subsidiary of BG Group plc, which has its principal place of business at 100 Thames Valley Park Drive, Reading, Berkshire, RG6 1PT, England.

## III. Authorization Requested

By the instant application, BGLS requests that OFE grant BGLS blanket import authorization for an additional two-year period. On October 2, 2001, OFE issued BGLS blanket authorization to import LNG for a two-year period, beginning on the date of first import ("2001 Authorization").<sup>3</sup> BGLS's first delivery under the 2001 Authorization was made on March 22, 2002. Consequently, the authorization is due to expire on ~~March 21, 2004~~.

Specifically, BGLS seeks blanket authorization to import up to a combined total of ~~1,500~~ billion cubic feet ("Bcf") equivalent of LNG over a two-year term, beginning the date on which BGLS receives the first shipment of LNG into the United States following the expiration of its 2001 Authorization. Granting BGLS blanket import authorization, as requested herein, will allow BGLS to effectuate import transactions on a timely basis, without the potential regulatory delays inherent to filing separate applications for each proposed sale and for each receiving facility.

The LNG will be imported from various international sources to ~~Lake Charles, Louisiana;~~ ~~Savanna, Georgia;~~ and other existing LNG receiving facilities as they become available for the receipt of LNG cargoes. Because BGLS will continue to utilize existing LNG receipt facilities in

---

<sup>3</sup> *BG LNG Services, Inc.*, DOE/FE Order No. 1710, FE Docket No. 01-47-LNG (Oct. 2, 2001). Since OFE issued the 2001 Authorization, BGLS was converted from a Delaware corporation to a Delaware limited liability company, and as a result, changed its legal name to BG LNG Services, LLC. BGLS submitted a notification of this name change to OFE on October 31, 2003, in FE Docket No. 01-47-LNG.

the United States to offload the imported LNG, no potential environmental impact is anticipated. As under the 2001 Authorization, upon importation, BGLS will sell the LNG, and the natural gas resulting from the vaporization of the LNG, to third parties on a short-term or spot-market basis.

#### **IV. Environmental Impact**

BGLS intends to continue to use existing facilities for importing LNG as requested herein. This application therefore neither contemplates nor requires the construction of new facilities. Consequently, granting this application will not involve a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act.<sup>4</sup> Accordingly, neither an environmental impact statement, nor an environmental assessment, is required.

#### **V. The Public Interest**

Section 3 of the NGA provides that an import or export of natural gas must be authorized unless there is a finding that it “will not be consistent with the public interest.”<sup>5</sup> 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.”<sup>6</sup> The import authorization sought by BGLS herein meets the Section 3(c) criterion and, therefore, is consistent with the public interest.

#### **VI. Request for Waiver of 10 C.F.R. § 590.201(b)**

BGLS requests waiver of the requirement that applications for import authorization be filed at least 90 days in advance of the proposed import. Pursuant to section 590.201(b) of DOE’s regulations, good cause exists to permit the proposed importation to commence promptly upon the issuance of the authorization requested herein. As noted above, BGLS has already

---

<sup>4</sup> 42 U.S.C. § 431, *et seq.* (2000).

<sup>5</sup> 15 U.S.C. § 717b(a) (2000).

<sup>6</sup> *Sonat Energy Services Co.*, Order Granting Long-Term Authorization to Import Liquefied Natural Gas From Trinidad and Tobago, DOE/FE Order No. 1549, FE Docket No. 99-93-LNG (Dec. 8, 1999).

received blanket authorization to import into the United States up to 400 Bcf equivalent of LNG per year. The 2001 Authorization will expire on March 21, 2004. In order to expedite the continued ability of BGLS to import LNG into the United States on a short-term, spot market basis, BGLS requests that the blanket import authorization requested herein become effective upon the issuance of an order by DOE, or in any event, no later than ~~March 21, 2004.~~

## VII. Reporting Requirements

BGLS proposes the following reporting requirements, which are consistent with the 2001 Authorization and other prior OFE authorizations:<sup>7</sup>

- A. Within two weeks after deliveries begin, BGLS must provide written notification to OFE of the date on which the first import of LNG occurred pursuant to the authorization requested herein.
- B. With respect to the LNG imports authorized in this docket, BGLS will file within 30 days following each calendar quarter, reports indicating, by month: (1) the country of origin; (2) total monthly volumes of LNG imported; (3) the monthly volumes taken by each of BGLS's customers; (4) the name of the seller(s), (5) the point(s) of entry; (6) the name(s) of the LNG tankers used; (7) the estimated or actual duration of agreements; (8) the geographic market(s) served; (9) the average landed cost per MMBtu at the point of import; and (10) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.
- C. The first quarterly report required by paragraph B will be due within 30 days following the first complete calendar quarter that follows the commencement of deliveries under this authorization.

---

<sup>7</sup> See, e.g., *International Gas Imports, L.L.C.*, DOE/FE Order No. 1478 (April 22, 1999).

### **XIII. Corporate Power of Company**

The opinion of counsel, required by 10 C.F.R. § 590.202(c), showing that the proposed importation of LNG is within the corporate powers of BGLS, is attached as Exhibit A.

### **IX. Related Regulatory Proceedings**

Neither BGLS's request for import authorization, nor any matter related thereto, is being considered by any other part of DOE, including the Federal Energy Regulatory Commission, or any other federal agency or department.

### **X. Conclusion**

WHEREFORE, for the foregoing reasons, BGLS respectfully requests that OFE expeditiously consider the instant application and, pursuant to Section 3 of the NGA, as amended, grant the requested blanket import authorization. BGLS submits that a grant of such authorization would be consistent with the public interest.

Respectfully Submitted,



John S. Decker  
Attorney for BG LNG Services, LLC

February 12, 2004

**Exhibit A**

**BG LNG SERVICES, LLC**  
**5444 Westheimer, Suite 1775**  
**Houston, Texas 77056**

February 11, 2004

Sally Kornfeld  
Office of Fossil Energy (FE-34)  
Natural Gas and Petroleum Import and Export Activities  
U.S. Department of Energy  
Room 3E-033  
1000 Independence, Avenue, S.W.  
Washington, D.C. 20585

Dear Ms. Kornfeld:

This opinion is furnished in accordance with the requirements of 10 C.F.R. § 590.202(c), in conjunction with the application of BG LNG Services, LLC for an order requesting blanket authorization to import liquefied natural gas into the United States pursuant to Section 3 of the Natural Gas Act, as amended.

I am counsel for BG LNG Services, LLC, in the above-referenced matter, and as such, I am familiar with the Articles of Incorporation, By-laws, and corporate records of BG LNG Services, LLC. I have examined these and other relevant documents and am of the opinion that the proposed importation of liquefied natural gas by BG LNG Services, LLC is within the corporate powers of BG LNG Services, LLC.

This opinion is submitted solely for the purpose of this matter, and may not be relied upon by the Office of Fossil Energy, or by any other governmental entity, or any person, for any other purpose.

Respectfully Submitted,

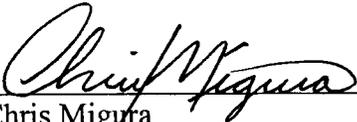
  
Chris Migura  
Attorney for BG LNG Services, LLC

Dated February 11, 2004

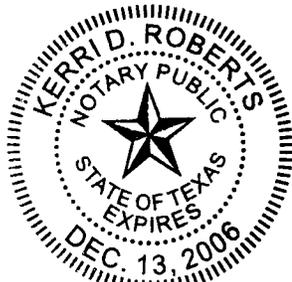
**VERIFICATION**

The State of Texas        )  
                                          )  
County of Harris         )

Chris Migura, declares before me on this date, and says that he is counsel of BG LNG Services, LLC, the applicant in this document; that he is authorized to verify the foregoing document pursuant to 10 C.F.R. § 590.103; that he has examined the statements contained therein and that all such statements are true and correct to the best of his knowledge, information and belief; and that he is the duly authorized representative of BG LNG Services, LLC; and that to the best of his knowledge, neither this nor any related matter is being considered by any other part of the Department of Energy, including the Federal Energy Regulatory Commission, or any other federal agency or department.

  
Chris Migura

SUBSCRIBED and SWORN TO before me, a Notary Public, this day: February 11, 2004.



  
Notary Public in and for the  
State of Texas

My Commission Expires: 12/13/06

natural gas may be imported and exported at any United States international border.

B. With respect to the natural gas imports and exports authorized by this Order, NUI shall file with the Office of Natural Gas & Petroleum Import & Export Activities within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, NUI must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (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 of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by

State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2002, and should cover the period from October 1, 2001, until the end of the fourth calendar quarter, December 31, 2001.

D. The quarterly reports required by Ordering Paragraph B of 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.

Issued in Washington, D.C., on September 26, 2001.

## ¶ 70,662

**BG LNG Services, Inc. (FE Docket No. 01-47-LNG), October 2, 2001**

**DOE/FE Order No. 1710**

**Order Granting Blanket Authorization to Import Liquefied Natural Gas**

### I. Description of Request

On September 7, 2001, BG LNG Services, Inc. (BG LNG) 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> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 400 Bcf of liquefied natural gas (LNG) from various international sources. The authorization would be for a two-year term beginning on the date that BG LNG's first shipment arrives by tanker. BG LNG is a Delaware corporation with its principal place of business in Houston, Texas, and a wholly-owned subsidiary of BG Group plc whose principal place of business is Reading, Berkshire, England. BG LNG intends to engage in the business of importing LNG produced by affiliated and non-affiliated companies. BG LNG plans to import the LNG to Lake Charles, Louisiana, and to other existing receiving facilities under short-term and spot-market arrangements on its own behalf or on behalf of others. The proposed authorization does not involve the construction of new pipeline or LNG facilities.

### II. Finding

The application filed by BG LNG has been evaluated to determine if the proposed LNG 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 BG LNG to import LNG from various 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.

### ORDER

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

A. BG LNG Services, Inc. (BG LNG) is authorized to import up to 400 Bcf of liquefied natural gas (LNG) from various sources over a two-year term beginning on the date of first delivery.

B. This LNG may be imported at any existing receiving facility.

<sup>1</sup> 15 U.S.C. § 717b.

C. Within two weeks after deliveries begin, BG LNG shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first import of LNG authorized in Order Paragraph A above occurred.

D. With respect to the LNG imports authorized by this Order, BG LNG 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 LNG imports have not been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, BG LNG must report the following: (1) the country of origin; (2) total monthly volumes in Mcf and MMBtu; (3) the name of the seller(s); (4) the point(s) of entry; (5) the name(s) of the LNG tanker 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. The reports shall also include the monthly volumes in Mcf taken by each of BG LNG's customers. [OMB NO.: 1901-0294]

E. The notification and reports required by Ordering Paragraphs C and D of 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 Ordering Paragraph D of this Order is due not later than January 30, 2002, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on October 2, 2001.

¶ 70,663

Northeast Gas Markets LLC (FE Docket No. 01-53-NG), October 2, 2001

DOE/FE Order No. 1711

### Order Granting Blanket Authorization to Import and Export Natural Gas from and to Canada

#### I. Description of Request

On September 28, 2001, Northeast Gas Markets LLC (NEGM) 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> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 400 billion cubic feet (Bcf) of natural gas from and to Canada beginning on November 1, 2001.<sup>2</sup> NEGM is a limited liability company with its principal place of business in Beverly, Massachusetts. NEGM will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

#### II. Finding

The application filed by NEGM 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 NEGM to import and export natural gas, from and 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. Northeast Gas Markets LLC (NEGM) is authorized to import and export up to a combined total of 400 billion cubic feet of natural gas from and to Canada, beginning on November 1, 2001, and extending through October 31, 2003.

<sup>1</sup> 15 U.S.C. § 717b.

<sup>2</sup> October 31, 2001, is the expiration date of NEGM's current blanket import/export authority

granted by DOE/FE Order No. 1443 on December 8, 1998 (2 FE ¶ 70,274).