

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DISTRIGAS CORPORATION  
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) FE DOCKET NO. 93-130-LNG  
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ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 902

DECEMBER 30, 1993

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On November 22, 1993, as supplemented on December 22, 1993, Distrigas Corporation (Distrigas) 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 100 Bcf of liquefied natural gas (LNG) from any foreign supplier of LNG, over a two-year term beginning on the date of first delivery. Distrigas, a Delaware corporation, is a wholly-owned subsidiary of Cabot LNG Corporation, which in turn is a wholly-owned subsidiary of Cabot Corporation. Distrigas' principal place of business is Boston, Massachusetts. Distrigas would import the LNG under short-term purchase arrangements and plans to sell the LNG to its affiliate, Distrigas of Massachusetts Corporation (DOMAC). DOMAC, which owns an LNG receiving terminal in Everett, Massachusetts, plans to resell the LNG to a variety of customers, including local distribution companies and electrical generation facilities. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by Distrigas 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).

1/ 15 U.S.C. § 717b. \_\_\_\_\_

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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Distrigas Corporation (Distrigas) is authorized to import up to 100 Bcf of liquefied natural gas (LNG) from any foreign supplier of LNG, over a two-year term beginning on the date of first delivery.

B. Within two weeks after deliveries begin, Distrigas 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 delivery of LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Distrigas shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Distrigas must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall

also provide the details of each import 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. transporter(s); (5) the point(s) of entry; (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 April 30, 1994, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on December 30, 1993.

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