

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CHENIERE MARKETING, LLC

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FE DOCKET NO. 08-139-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS FROM AND TO
CANADA AND MEXICO, TO EXPORT LIQUEFIED NATURAL GAS
TO CANADA AND MEXICO, AND TO IMPORT LIQUEFIED
NATURAL GAS FROM VARIOUS INTERNATIONAL SOURCES

DOE/FE ORDER NO. 2606

JANUARY 23, 2009

I. DESCRIPTION OF REQUEST

On November 21, 2008, Cheniere Marketing, LLC (Cheniere) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),¹ for blanket authorization to import and export natural gas from and to Canada and Mexico, to export liquefied natural gas (LNG) to Canada and Mexico and to import LNG from various international sources up to a combined total of the equivalent of 1,500 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on January 29, 2009.² Cheniere is a Delaware corporation with its principal place of business in Houston, Texas.

II. FINDING

The application 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 and export of natural gas, including LNG, from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Cheniere to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico, nations with which a free trade agreement is in effect, and to import LNG from various

¹/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for FE pursuant to Redefinition Order No. 00.002.04D (November 6, 2007).

²/ Cheniere was granted blanket authorization to import and export natural gas from and to Canada and Mexico and to import LNG in DOE/FE Order No. 2327 on January 29, 2007, which extends through January 28, 2009 (2 FE ¶ 71,414).

international sources meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Cheniere is authorized to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico and to import LNG from various international sources up to a combined total of the equivalent of 1,500 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on January 29, 2009, and extending through January 28, 2011.

B. This natural gas may be imported and exported at any point on the border between the United States and Canada and the United States and Mexico.

C. This LNG may be imported and/or exported at any LNG receiving facility in the United States and its territories.

D. **Monthly Reports:** With respect to the natural gas imports and exports, and the import and export of LNG authorized by this Order, Cheniere shall file a report with the Office of Natural Gas Regulatory Activities within 30 days following the last day of each calendar month indicating whether imports and/or exports of natural gas or LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports and/or exports have not occurred, a report of “no activity” for that month must be filed. If imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3)

the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

If imports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name(s) of the supplier(s)/seller(s); (6) the volume in Mcf; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). If exports of LNG have occurred, the report must give the details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the country of destination; (3) the date of departure from the U.S. export terminal; (4) the point(s) of exit; (5) the name(s) of the supplier(s)/seller(s); (6) the name(s) of the LNG tanker(s); (7) the volume in Mcf; (8) the delivered price per MMBtu at the point of exit; (9) the name(s) of the purchaser(s); and (10) the duration of the supply agreement. [OMB No. 1901-0294]

E. The first monthly report required by this Order is due not later than February 28, 2009, and should cover the reporting period from January 29, 2009 through January 31, 2009.

F. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375 Attention: Ms. Yvonne Caudillo. Alternatively, reports may

be e-mailed to Ms. Caudillo at yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

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R. F. Corbin

Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy