

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TOTAL GAS & POWER NORTH AMERICA, INC.

)

)

)

FE DOCKET NO. 10-36-LNG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS FROM NORWAY

DOE/FE ORDER NO. 2781

APRIL 22, 2010

I. DESCRIPTION OF REQUEST

On March 30, 2010, Total Gas & Power North America, Inc. (TGPNA) 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 for long term authorization to import liquefied natural gas (LNG) from Norway up to the equivalent of 40 billion cubic feet (Bcf) of natural gas per year² over a term of 20 years beginning on the date this Order is issued. TGPNA, a corporation organized under the laws of the State of Delaware, has its principal place of business in Houston, Texas. TGPNA is an indirect wholly-owned subsidiary of Total S.A. TGPNA proposes to purchase LNG from the country of Norway pursuant to a Sale and Purchase Agreement (SPA) with Total Gas and Power Limited (TGPL) dated December 17, 2009, and an executed agreement between TGPL and Total E&P Norge AS signed on November 15, 2004. TGPNA will sell the imported LNG and the natural gas resulting from vaporization of the LNG to various third parties in the regular course of business.

The point of entry into the United States will primarily be the LNG terminal and vaporization facilities located near Sabine Pass, Louisiana, as well as other currently existing LNG receiving facilities in the United States or other approved LNG terminals as may be constructed in the future. The requested authorization does not involve the construction of new LNG receiving facilities.

Under the terms of the SPA, TGPNA will pay TGPL for the LNG it purchases under the SPA according to a formula based on published natural gas index prices appropriate for each

¹ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.04D (November 6, 2007).

² The annual contract quantity is approximately 40,000,000 MMBtu of LNG per year.

receiving terminal. The price may also include an allocation of fixed and variable terminal costs.

TGPNA states that the contract price for LNG under the SPA is linked to published natural gas price indices and, therefore, the price of LNG supplied during the term of the SPA will remain competitive.

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 TGPNA to import LNG from Norway meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

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

A. TGPNA is authorized to import LNG up to the equivalent of 40 Bcf of natural gas per year over a term of 20 years beginning April 22, 2010, and extending through April 21, 2030.

This LNG will be imported from the country of Norway pursuant to a SPA between TGPNA and TGPL, and the long-term executed agreement between TGPL and Total E&P Norge AS.

B. This LNG may be imported at any LNG receiving facility in the United States and its territories.

C. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

D. **Monthly Reports:** With respect to the import of LNG authorized by this Order, TGPNA 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 of LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports have not occurred, a report of “no activity” for that month must be filed. 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 of the supplier/seller; (6) the volume in thousand cubic feet (Mcf); (7) the landed price per million British thermal units (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)). [OMB No. 1901-0294]

E. The first monthly report required by this Order is due not later than May 30, 2010, and should cover the reporting period from April 22, 2010 through April 30, 2010.

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.

Issued in Washington, D.C., on April 22, 2010.

A handwritten signature in dark ink, appearing to read "John A. Anderson", is positioned above a horizontal line.

John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy