

Cited as "1 FE Para. 70,473"

Tex/Con Gas Marketing Co. (FE Docket No. 91-18-NG), July 30, 1991.

DOE/FE Opinion and Order No. 525

Order Granting Blanket Authorization to Export Natural Gas to  
Canada and Mexico

### I. Background

On February 28, 1991, Tex/Con Gas Marketing Company (TCGM), 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) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to export to Canada and Mexico up to 73 Bcf of natural gas over a two-year period commencing with the date of first delivery. TCGM requests authority to export the natural gas at any point on the U.S.-Canada and U.S.-Mexico border where facilities currently exist. TCGM indicates it would file quarterly reports detailing any transaction.

TCGM, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly owned subsidiary of Tex/Con Oil and Gas Company and is in the business of buying and selling natural gas. The applicant intends to purchase and export natural gas for its own account as well as the accounts of domestic suppliers or Canadian and Mexican purchasers. In support of its application, TCGM maintains that the natural gas volumes to be exported would be in excess of the regional and national needs for natural gas and that U.S. producers and the states where the gas is produced would benefit from the incremental sales.

A notice of the application was issued on March 28, 1991, inviting protests, motions to intervene, notices of intervention, and comments to be filed by May 6, 1991.<sup>1/</sup> No comments or motions to intervene were received.

### II. Decision

The application filed by TCGM has been evaluated to determine if the proposed export arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an export must be authorized unless there is a finding that it "will not be consistent with the public interest."<sup>2/</sup> In reviewing natural gas export applications, domestic need for the natural gas to be exported is considered, and any other issues determined to be appropriate in a particular case.

TCGM's uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and DOE's international gas trade policy. FE finds that the current supplies of domestic gas, coupled with the short-term, market-responsive nature of the proposed export arrangements, make it unlikely that the proposed export volumes will be needed domestically during the term of the authorization. Further, FE finds that TCGM's proposed export of domestic natural gas to Canada and Mexico, like other blanket export proposals that have been approved by DOE,<sup>3/</sup> will further the Secretary's policy of reducing trade barriers by encouraging market forces to achieve a more competitive distribution of goods between the United States and Canada and the United States and Mexico.

After taking into consideration all of the information in the record of this proceeding, I find that authorizing TCGM blanket authorization to export up to 73 Bcf of natural gas to Canada and Mexico over a two-year term, under contracts with terms of two years or less, beginning on the date of first export, is not inconsistent with the public interest.<sup>4/</sup>

ORDER

For reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Tex/Con Gas Marketing Company (TCGM), is authorized to export to Canada and Mexico up to a combined total of 73 Bcf of natural gas over a two-year term beginning on the date of first delivery.

B. This natural gas may be exported from any point on the international border which does not require the construction of new facilities.

C. Within two weeks after deliveries begin, TCGM shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the exports authorized by this Order, TCGM shall file within 30 days following each calendar quarter, quarterly reports indicating whether sales of exported natural gas have been made, and if so, giving by month, the total volume of the exports in Mcf and the average price for exports per MMBtu at the international border. The reports shall also provide the details of each export transaction, including the names of the seller(s), and the purchaser(s), estimated or actual duration of the agreement(s), transporter(s), points of exit, and market(s) served and, if applicable, the per unit (MMBtu) demand/commodity charge breakdown of the price, any special contract price adjustment clauses and any take-or-pay or make-up provisions.

Issued in Washington, D.C., on July 30, 1991.

--Footnotes--

1/ 56 FR 13824, April 4, 1991.

2/ 15 U.S.C. Sec. 717b.

3/ See, e.g., Access Energy Corporation, 1 FE Para. 70,361 (October 10, 1990); Transco Energy Marketing Company, 1 FE Para. 70,354 (October 9, 1990); and Tejas Power Corporation, 1 FE Para. 70,358 (October 9, 1990).

4/ Because the proposed importation of gas will use existing facilities, DOE has determined that granting this application is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. 4321, et seq.) and therefore an environmental impact statement or environmental assessment is not required. See 40 CFR Sec. 1508.4 and 54 FR 12474 (March 27, 1989).