

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

THE MAPLE GAS CORPORATION) FE DOCKET NO. 91-82-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS
TO MEXICO

DOE/FE OPINION AND ORDER NO. 560

DECEMBER 18, 1991

I. BACKGROUND _____

On October 8, 1991, The Maple Gas Corporation (Maple) 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 Mexico up to 150,000 MMBtu per day of natural gas over a two-year period beginning on the date of first delivery.

Maple is a Delaware corporation with its principal place of business in Dallas, Texas. Maple proposes to export gas purchased from U.S. producers to Mexican purchasers for varying terms not to exceed one year. All sales would result from arms-length negotiations and prices would be determined by market conditions. Maple indicates it intends to use existing U.S. natural gas pipeline facilities to transport the exported gas and will comply with DOE's quarterly reporting provisions.

In support of its export request, Maple asserts there exists no current national or regional need for the gas it proposes to export and such a need is unlikely to develop during the two-year term of the requested export authorization.

A notice of the application was published in the Federal _____
Register on October 31, 1991, inviting protests, motions to _____
intervene, notices of intervention and comments to be filed by December 2, 1991. 1/ No comments were received.

1/ 56 FR 56071.

II. DECISION

The application filed by Maple 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." 2/ In reviewing natural gas export applications, domestic need for the gas to be exported is considered as well as any other issues determined to be appropriate in a particular case.

Maple'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. The current supplies of domestic gas, coupled with the short-term, market-responsive nature of the contracts into which Maple proposes to enter, indicate it is unlikely the proposed export volumes will be needed domestically during the term of the authorization. In addition, Maple's proposal, like other blanket export proposals that have been approved by DOE 3/, will further the Secretary's policy goals of reducing trade barriers by encouraging market forces to achieve a more competitive distribution of goods between the U.S. and Mexico. Thus, Maple's export arrangement will enhance cross-border competition in the marketplace.

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

3 E.g., Corpus Christi Gas Marketing Inc., 1 FE Para. 70,386 (October 9, 1990); Clajon Marketing, L.P.; 1 FE Para.

70,406 (January 29, 1991); and American Central Gas Companies,
Inc., 1 FE Para. 70,446 (May 16, 1991). _____

After taking into consideration all of the information in the record of this proceeding, I find that granting Maple authority to export natural gas to Mexico over a two-year term beginning on the date of first delivery is not inconsistent with the public interest and should be approved. 4/ In order to provide Maple with maximum operating flexibility I have designated a total authorized volume for the two-year term of 109.5 Bcf of natural gas, rather than the 150,000 MMBtu per day that Maple requested in its export application

ORDER

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

A. The Maple Gas Corporation (Maple) is authorized to export to Mexico up to 109.5 Bcf of natural gas over a two-year term, beginning on the date of first export delivery.

B. This natural gas may be exported at any point on the international border where existing pipeline facilities exist.

C. Within two weeks after deliveries begin, Maple 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

4/ Because the proposed import/export 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 an environmental

assessment is not required. See 40 CFR Sec. 1508.4 and 54 FR
12474 (March 27, 1989).

that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas exports authorized by this Order, the applicant shall file within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made, and if so, giving by month, the total volume of the exports in Mcf and the average price 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 agreements, transporter(s), points of exit, geographic markets served, and, if applicable the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price, any special contract price adjustments clauses, and any take-or-pay or make-up provisions. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. Failure to file quarterly reports may result in termination of this authorization.

E. The first quarterly report required by Paragraph D of this Order is due not later than January 30, 1992, and should cover the period from the date of this order until the end of the current calendar quarter December 31, 1991.

Issued in Washington, D.C., on December 18, 1991.

Clifford P. Tomaszewski
Acting Deputy Assistant Secretary
for Fuels Programs

Office of Fossil Energy