

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

COLUMBUS ENERGY CORP.

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FE DOCKET NO. 92-67-NG

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ORDER GRANTING BLANKET AUTHORIZATION TO  
EXPORT NATURAL GAS TO MEXICO

DOE/FE OPINION AND ORDER NO. 673

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SEPTEMBER 24, 1992

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I. BACKGROUND

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On June 4, 1992, Columbus Energy Corp. (CEC) filed an application with the Office of Fossil Energy 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 authority to export up to 100 Bcf of natural gas to Mexico over a two-year term beginning on the date of first delivery. CEC proposes to use existing pipeline facilities to transport the exported gas.

CEC is a corporation organized and existing under the laws of the State of Colorado with its principal place of business in Denver, Colorado. CEC states that prospective customers will include Mexican government entities, industrial and agricultural end users, electric utilities, pipelines and local distribution companies. CEC indicates that all contractual arrangements will result from arms-length negotiations and that prices would be determined by market conditions. In support of its application, CEC states that there is no present domestic need for the gas it proposes to export and that its proposal will help reduce the United States trade deficit. CEC will comply with DOE's quarterly reporting requirements.

DOE published a notice of receipt of CEC's application in the Federal Register on June 22, 1992, inviting protests, motions

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to intervene, notices of intervention, and comments to be filed by July 22, 1992./1 No interventions or comments were

received.

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1/ 57 FR 27766.

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## II. DECISION

The application filed by CEC 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, the domestic need for the gas to be exported is considered, as well as any other issues determined to be appropriate in a particular case.

CEC'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. Natural gas supplies in the United States are expected to continue to be more than adequate to meet consumer demand. For this reason, and because CEC's transactions will be short-term and market-responsive, it is unlikely that the proposed export volumes will be needed in the domestic market during the term of this authorization. Additionally, CEC's proposal, which is similar to other blanket export proposals approved by DOE,<sup>3</sup> will further the Secretary of Energy's policy goal to reduce trade barriers by encouraging market forces to achieve a more competitive distribution of goods between the United States and other countries. Thus, CEC's

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

3/ E.g., Venro Petroleum Corporation, 1 FE 70,465 (July 22,

1991); Utrade Gas Company, 1 FE 70,469 (July 26, 1991); and  

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Aectra Refining and Marketing, Inc., 1 FE 70,531 (January 24,  

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1992).

export arrangement will enhance cross-border competition in the marketplace.

After taking into consideration all of the information in the record of this proceeding, I find that authorizing CEC to export up to 100 Bcf of natural gas over a two-year term beginning on the date of first delivery, under contracts with terms of two years or less, is not inconsistent with the public interest./4

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ORDER

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

A. Columbus Energy Corp. (CEC) is authorized to export up to 100 Bcf of natural gas to Mexico over a two-year term beginning on the date of the first export.

B. This natural gas may be exported at any point on the United States/Mexico border where existing pipeline facilities exist.

C. Within two weeks after deliveries begin, CEC shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first

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4/ Because the proposed import/export of gas will use existing facilities, DOE has determined that granting this authorization 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.), therefore

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neither an environmental impact statement nor an environmental assessment is required. See 40 CFR 1508.4 and 57 FR 15122

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(April 24, 1992).



delivery of natural gas authorized in ordering paragraph A above occurred.

D. Regarding the natural gas exports authorized by this order, CEC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports occurred, CEC must report monthly total volumes in Mcf and the average sales price per MMBtu at the international border. The reports shall also provide the details of each export transaction, including: (1) the name of the purchaser(s); (2) the estimated or actual duration of the agreement(s); (3) the name of the United States transporter(s); (4) the point(s) of exit; (5) the geographic market(s) served; and (6) whether the sales are being made on an interruptible or firm basis. Failure to file quarterly reports may result in termination of this authorization.

E. The first quarterly report required by ordering paragraph D is due not later than October 30, 1992, and should cover the period from the date of this Order until the end of the current calendar quarter of September 30, 1992.

Issued in Washington, D.C., on September 24, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary

for Fuels Programs  
Office of Fossil Energy