

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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TEXACO GAS MARKETING INC.))
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FE DOCKET NO. 93-45-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO
AND GRANTING INTERVENTION

DOE/FE OPINION AND ORDER NO. 817

JUNE 30, 1993

I. BACKGROUND

On May 6, 1993, Texaco Gas Marketing Inc. (TGMI) 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. TGMI requests blanket authorization to export to Mexico up to 120 billion cubic feet (Bcf) of natural gas over a two-year term, beginning on the date of first delivery.^{1/} TGMI, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Texaco Exploration and Production Inc., which is a wholly-owned subsidiary of Texaco Inc. TGMI proposes to export the gas, either on its own behalf or on behalf of others, for sale to Mexican distributors and end-users. TGMI asserts that the gas it plans to export will not be needed for domestic consumption. TGMI will use existing facilities to export the gas and will comply with DOE's quarterly reporting requirements.

II. INTERVENTIONS AND COMMENTS

A notice of TGMI's application was published in the Federal Register on May 26, 1993, inviting protests, motions to intervene, notices of intervention and comments to be filed by June 25, 1993.^{2/} Valero Transmission, L.P. (Valero) filed a

^{1/} TGMI was previously authorized to export natural gas to Mexico pursuant to DOE/FE Opinion and Order No. 512 (1 FE Para. 70,458), which expires on June 30, 1993.

2/ 58 FR 30161.

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motion to intervene in this proceeding without comment or requests for additional procedures. This order grants intervention to Valero.

III. DECISION

The application filed by TGMI 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."^{3/} When natural gas export applications are reviewed, domestic need for the gas to be exported is considered, as well as any other issues determined to be appropriate in a particular case.

TGMI'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 TGMI'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, TGMI's proposal, which is similar to other blanket export arrangements approved by DOE,^{4/} will reduce trade

3/ 15 U.S.C. Sec. 717b.

4/ E.g., Chevron Natural Gas Services, Inc., 1 FE 70,778

(March 26, 1993); Aquila Southwest Marketing Corporation, 1 FE

Para. 70,765 (March 2, 1993); and AGE Marketing Company, 1 FE

Para. 70,743 (January 21, 1993).

barriers by promoting a more market-oriented gas trade between the United States and Mexico.

After considering all the information in the record of this proceeding, I find that authorizing TGMI to export to Mexico up to 120 Bcf of natural gas over a two-year term, under contracts with terms of two years or less, is not inconsistent with the public interest.^{5/}

ORDER

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

A. Texaco Gas Marketing Inc. (TGMI) is authorized to export to Mexico up to 120 billion cubic feet of natural gas over a two-year term, beginning on the date of first delivery after June 30, 1993.

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

C. Within two weeks after deliveries begin TGMI 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, in writing, of the date

5/ Because the proposed export of natural 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. Sec. 4321, et seq.); therefore,

neither an environmental impact statement nor an environmental assessment is required. See 40 CFR Sec. 1508.4 and 54 FR 15122

(April 24, 1992).

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

D. Regarding the natural gas exports authorized by this order, TGMI 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, TGMI must submit monthly total volumes of the exports 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 names of the seller(s); (2) the names of the purchaser(s); (3) the estimated or actual duration of the agreements; (4) the names of the United States transporter(s); (5) the point(s) of exit; (6) the geographic market(s) served; and, (7) 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, 1993, and should cover the period from the date of this order until the end of the calendar quarter, September 30, 1993.

F. The motion to intervene filed by Valero Transmission L.P. (Valero) is hereby granted, provided that Valero's participation is limited to the matters specifically set forth in its motion to intervene and not herein specifically denied, and shall not be construed as recognition that it may be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on June 30, 1993.

Anthony J. Como
Acting Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy