

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
NATURAL GAS CLEARINGHOUSE) FE DOCKET NO. 93-74-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT
AND EXPORT NATURAL GAS FROM AND TO CANADA, AND TO
IMPORT LIQUEFIED NATURAL GAS FROM ANY FOREIGN COUNTRY

DOE/FE ORDER NO. 830

AUGUST 9, 1993

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I. DESCRIPTION OF REQUEST

On July 16, 1993, Natural Gas Clearinghouse (NGC) filed an application, as amended July 30, 1993, with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/}, and DOE Delegation Order Nos.

0204-111 and 0204-127, requesting blanket authorization to import and export natural gas from and to Canada. In addition, NGC requests authorization to import liquefied natural gas (LNG) from any foreign country. The authorization would allow NGC to import a combined total of up to 400 Bcf of gas and LNG and to export up to 130 Bcf of gas over a two-year term beginning on the date of the first delivery of either imports or exports after October 31, 1993.^{2/} NGC, a Texas corporation with its

headquarters in Houston, Texas, trades in natural gas and other commodities. The volumes will be imported and exported by NGC under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline or LNG facilities.

1/ 15 U.S.C. Sec. 717b.

2/ This is the expiration date of NGC's existing blanket authorization to import and export natural gas and LNG from and to Canada, Mexico, and other countries granted by DOE/FE Opinion and Order No. 544 (Order 544). See 1 FE Para. 70,492 (October 25, 1991). On July 16, 1993, NGC filed a similar application in FE

Docket No. 93-75-NG to extend its current authority under Order 544 to import and export natural gas from and to Mexico, and to export LNG to any foreign country.

II. FINDING

The application filed by NGC 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), an import or export of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. This statutory public interest finding also applies to LNG imports (but not to exports), regardless of whether the United States has a free trade agreement with the foreign country from which the LNG is to be imported.

The authorization sought by NGC to import LNG, and to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest.^{3/} This blanket order authorizes transactions under contracts with terms of no longer than two years.

^{3/} Since the United States does not yet have a free trade agreement with Mexico, and exports of LNG are not governed by NGA section 3(c), DOE is required to make a public interest finding before deciding on NGC's application in Docket 93-75-NG. A

notice of that filing will be published in the Federal Register
_____ for public comments.

ORDER

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

A. Natural Gas Clearinghouse (NGC) is authorized to import natural gas from and export natural gas to Canada, and to import liquefied natural gas (LNG) from any foreign country. This authorization shall extend for a period of two years beginning on the date of the first delivery of either imports or exports after October 31, 1993. The maximum volume of gas and LNG that may be imported shall not exceed an aggregate of 400 Bcf and the maximum volume of gas that may be exported shall not exceed 130 Bcf. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, NGC 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 import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the imports and exports authorized by this Order, NGC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or

exports have occurred, NGC must report monthly total volumes of gas and LNG in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including:

(1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served; (7) whether the sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1994, and should cover the period from November 1, 1993 until the end of the fourth calendar quarter, December 31, 1993.

Issued in Washington, D.C., on August 9, 1993.

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