

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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ASSOCIATED NATURAL GAS, INC. ) FE DOCKET NO. 93-64-NG  
\_\_\_\_\_)

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

DOE/FE OPINION AND ORDER NO. 842

SEPTEMBER 24, 1993

I. BACKGROUND

On June 29, 1993, Associated Natural Gas, Inc. (ANGI) 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, to export natural gas to Mexico. ANGI requests blanket authorization to export up to 200 Bcf of natural gas over a period of two years beginning on the date of the first delivery. ANGI, a marketer of natural gas, is a Delaware corporation with its principal place of business in Denver, Colorado. ANGI proposes to export domestically-produced gas under short-term and spot market transactions, either on its own behalf or as the agent for others. ANGI states that all sales would be individually negotiated at competitive prices. ANGI asserts that there is no current need in the United States for the gas that would be exported under the proposed arrangement. In addition, ANGI states that it would use existing pipeline facilities to transport the gas and would comply with DOE's quarterly reporting requirement.

II. INTERVENTIONS AND COMMENTS

A notice of ANGI's application was published in the Federal Register on July 29, 1993, inviting protests, motions to intervene, notices of intervention and comments to be filed by August 30, 1993.<sup>1/</sup> Valero Transmission, L.P. (Valero) filed a motion to intervene. Valero takes no position on the

1/ 58 F.R. 40641.

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authorization sought by ANGI and did not request additional procedures. This order grants intervention to Valero.

### III. DECISION

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The application filed by ANGI 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 gas to be exported is considered, as well as any other issues determined to be appropriate in a particular case.

ANGI'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 ANGI'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, ANGI's proposal, which is similar to other blanket export arrangements approved by DOE,<sup>3/</sup> should reduce trade

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<sup>2/</sup> 15 U.S.C. Sec. 717b.

<sup>3/</sup> E.g., Chevron Natural Gas Services, Inc., 1 FE Para. 70,778

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

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

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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 ANGI to export to Mexico up to 200 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.<sup>4/</sup>

ORDER

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

A. Associated Natural Gas, Inc. (ANGI) is authorized to export to Mexico up to 200 Bcf of natural gas over a two-year term, beginning on the date of first delivery.

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

C. Within two weeks after deliveries begin, ANGI 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 export of natural gas will use existing pipeline 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

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seq.); therefore, neither an environmental impact statement nor  
— an environmental assessment is required. See 40 C.F.R Sec. 1508.4  
— and 54 F.R. 15122 (April 24, 1992).

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

D. With respect to the natural gas exports authorized by this Order, ANGI 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. Quarterly reports must be filed whether or not initial deliveries have begun. If exports have not been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, ANGI 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 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 third 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 that the admission of this intervenor shall not be construed as recognition that it may be aggrieved because of any order issued in this proceeding.

Issued in Washington, D.C., on September 24, 1993.

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Anthony J. Como  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy