

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
CHANNEL GAS MARKETING COMPANY) FE DOCKET NO. 94-93-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1005

NOVEMBER 22, 1994

I. DESCRIPTION OF REQUEST _____

On November 4, 1994, Channel Gas Marketing Company (CGM) filed an application with the Office of Fossil Energy 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 export natural gas to Mexico. CGM, a Delaware corporation with its principal place of business in Houston, Texas, is a marketer and broker of natural gas primarily within the State of Texas. The company is a wholly-owned subsidiary of Tenneco Energy Resources Corporation. CGM proposes to export up to 200 Bcf of gas over a period of two years beginning on the date of the first delivery. This gas would be exported by CGM under spot and short-term sales arrangements. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by CGM has been evaluated to determine if the proposed 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 export of natural gas 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. The authorization sought by CGM to export natural gas to Mexico, a

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

nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Channel Gas Marketing Company (CGM) is authorized to export to Mexico, at any point on the international border, up to 200 Bcf of natural gas. This authorization is for a period of two years beginning on the date of the first delivery.

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

C. With respect to the natural gas exports authorized by this Order, CGM shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports occur, CGM must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports

also shall provide the details of each export transaction, including: (1) the name of the seller; (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 exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1995, and should cover the period from the date of this Order until the end of the current calendar quarter, December 31, 1994.

Issued in Washington, D.C., on November 22, 1994.

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