

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

\_\_\_\_\_  
UNION PACIFIC FUELS, INC. )  
\_\_\_\_\_)

FE DOCKET NO. 94-95-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT  
AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO  
AND VACATING AUTHORIZATION

DOE/FE ORDER NO. 1006

DECEMBER 2, 1994

I. DESCRIPTION OF REQUEST

---

On November 15, 1994, as amended by letter dated December 1, 1994, Union Pacific Fuels, Inc. (Union Pacific) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup>

and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 200 Bcf of natural gas from Canada and to export up to a combined total of 200 Bcf of natural gas to Canada and Mexico. The term of the authorization would be for two years beginning on the date of the first import or export, whichever occurs first. Union Pacific, a marketer of natural gas, is a Delaware corporation with its principal place of business in Fort Worth, Texas. Union Pacific is a wholly-owned subsidiary of Union Pacific Resources Company, which is a subsidiary of Union Pacific Corporation. Union Pacific intends to import and export the gas under spot and short-term transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities. Union Pacific currently holds blanket authorization under DOE/FE Opinion and Order No. 705 (Order 705),<sup>2/</sup> to export up to 146 Bcf of natural gas to Mexico over a two year term. No exports have been reported pursuant to Order 705. Union Pacific requests that this new authorization replace the current authorization and that Order 705 be rescinded.

---

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

2. 1 FE 70,662 (November 12, 1992).

## II. FINDING

The application filed by Union Pacific has been evaluated to determine if the proposed import/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), the 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. The authorization sought by Union Pacific to import natural gas from Canada as well as export natural gas to Canada and Mexico, nations 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. Union Pacific Fuels, Inc. (Union Pacific) is authorized to import up to 200 Bcf of natural gas from Canada and to export up to a combined total of 200 Bcf of natural gas to Canada and Mexico, over a two-year term beginning on the date of the initial import or export, whichever occurs first. The natural gas may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, Union Pacific shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, 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 natural gas imports and exports authorized by this Order, Union Pacific shall file with OFP, 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 occur, Union Pacific 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 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 and exit; (6) the geographic market(s) served; (7) whether 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, 1995,

and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1994.

E. Union Pacific's authorization to export natural gas pursuant to DOE/FE Opinion and Order 705 is hereby vacated.

Issued in Washington, D.C., on December 2, 1994.

---

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