UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

MOBIL NATURAL GAS INC.) FE DOCKET NO. 93-136-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT NATURAL GAS FROM MEXICO, AND TO IMPORT LNG FROM ANY FOREIGN COUNTRY

DOE/FE ORDER NO. 903

JANUARY 3, 1994

I. DESCRIPTION OF REQUEST

On November 30, 1993, Mobil Natural Gas Inc. (MNGI) 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 import natural gas from Mexico and liquefied natural gas (LNG) from any foreign country. MNGI seeks authority to import a combined total of 200 Bcf of natural gas and LNG over a period of two years beginning on the date of first delivery after February 15, 1994.2/ MNGI, a Delaware corporation with its principal place of business in Houston, Texas, is a marketer of natural gas supplies in the United States, Mexico, and Canada. The company is a wholly-owned subsidiary of the Mobil Corporation. MNGI will import this gas and LNG 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 or LNG facilities.

II. FINDING

The application filed by MNGI has been evaluated to determine if the proposed import 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).

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

2/ This is the day MNGI's current two-year blanket import authorization expires. See DOE/FE Opinion and Order No. 579 issued February 12, 1992 (1 FE 70,535).

Under section 3(c), an import of natural gas from 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 MNGI to import LNG from any international source, and to import natural gas from Mexico, 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. This blanket order authorizes transaction 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. Mobil Natural Gas Inc. (MNGI) is authorized to import natural gas from Mexico and liquefied natural gas (LNG) from any foreign country over a period of two years beginning on the date of the first import of either natural gas or LNG after February 15, 1994. The maximum volume of gas and LNG that may be imported shall not exceed an aggregate of 200 Bcf. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, MNGI 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 of either natural gas or LNG authorized in Ordering Paragraph A occurred.

C. With respect to the imports authorized by this Order, MNGI shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, MNGI must report monthly total volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the purchaser(s); (2) the name of the seller(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s), including any LNG tankers used; (5) the point(s) of entry; (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 April 30, 1994, and should cover the period from February 16, 1994, until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on January 3, 1994.

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