

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PHILLIPS GAS MARKETING COMPANY)
_____)

FE DOCKET NO. 94-15-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 926

MARCH 21, 1994

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I. DESCRIPTION OF REQUEST _____

On March 4, 1994, Phillips Gas Marketing Company (Phillips) 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. Up to 100 Bcf of domestic gas would be exported under short-term and spot market transactions over a two-year period beginning on May 12, 1994.^{2/} Phillips, a Delaware corporation, with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Phillips Petroleum Company. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Phillips 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), the 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 Phillips to

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

2. Phillips' existing blanket export authorization granted by DOE/FE Opinion and Order No. 599 dated April 14, 1992 (1 FE

70,559) expires May 11, 1994.

export natural gas to 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 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. Phillips Gas Marketing Company (Phillips) is authorized to export, at any point on the U.S.-Mexico border, up to 100 Bcf of natural gas to Mexico over a period of two years beginning on the date of the first delivery after May 11, 1994.

B. Within two weeks after deliveries begin, Phillips 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, Phillips 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 no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Phillips 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 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 July 30, 1994, and should cover the period from May 12, 1994, until the end of the second calendar quarter, June 30, 1994.

Issued in Washington, D.C., on March 21, 1994.

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