

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PHIBRO DIVISION OF SALOMON INC.) FE DOCKET NO. 94-38-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL
GAS, INCLUDING LIQUEFIED NATURAL GAS,
FROM AND TO CANADA

DOE/FE ORDER NO. 953

JUNE 1, 1994

I. DESCRIPTION OF REQUEST _____

On April 21, 1994, Phibro Division of Salomon Inc. (Phibro) 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, for blanket authorization to import up to 200 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG), and export up to 200 Bcf of natural gas to Canada over a two-year term beginning on the date of first import or export. Phibro is a division of Salomon Inc., a Delaware corporation. Phibro's principal place of business is in Westport, Connecticut. Phibro requests authority to import and export gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING _____

The application filed by Phibro 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 and LNG 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

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

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LNG

authorization sought by Phibro to import and export natural gas and from and to Canada, 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. Phibro Division of Salomon Inc. (Phibro) is authorized to import up to 200 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG), and export up to 200 Bcf of natural gas to Canada over a two-year term, beginning on the date of first import or export. This natural gas and LNG may be imported and exported at any point on the border of the United States and Canada.

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

C. With respect to the natural gas and LNG imports and exports authorized by this Order, Phibro shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas or LNG have been made. Quarterly reports must be filed whether or not

initial deliveries have begun. If no imports or exports of natural gas or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports of natural gas or LNG have occurred, Phibro 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 July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

Issued in Washington, D.C., on June 1, 1994.

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