

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

MGI SUPPLY LTD.)
_____)

FE DOCKET NO. 94-83-NG

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

DOE/FE ORDER NO. 988

OCTOBER 27, 1994

I. DESCRIPTION OF REQUEST _____

On October 7, 1994, MGI Supply Ltd. (MGI) 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 and export a combined total of up to 657 Bcf of natural gas from and to Canada and Mexico. The term of the authorization would be for two years beginning on the date of the first import or export after October 31, 1994.^{2/} MGI, a Cayman Islands corporation, is a wholly-owned subsidiary of Mex Gas Internacional Ltd. MGI would import and export this gas 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 MGI 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

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

2. This is the expiration date of MGI's existing blanket export authorization granted by DOE/FE Opinion and Order No. 678-A dated April 20, 1994 (1 FE 70,952). P.M.I. Comercio Internacional, S.A. de C.V. held the original authorization

granted by DOE/FE Opinion and Order No. 678 dated October 6, 1992
(1 FE 70,686) before it was transferred to MGI.

gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by MGI to import and export natural gas from and 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. MGI Supply Ltd. (MGI) is authorized to import and export a combined total of up to 657 Bcf of natural gas from and to Canada and Mexico. The term of this authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first, after October 31, 1994. The natural gas may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, MGI 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, MGI 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, MGI 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 November 1, 1994, until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on October 27, 1994.

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