

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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Koch Gas Services Company )  
\_\_\_\_\_)

FE DOCKET NO. 95-03-NG

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

DOE/FE ORDER NO. 1019

JANUARY 13, 1995

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On January 11, 1995, Koch Gas Services Company (Koch) 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 up to a combined total of 100 Bcf of natural gas from and to Mexico. The term of the authorization would be for two years beginning on the date of the first delivery. Koch, an Oklahoma corporation, with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Koch Industries Inc. Koch, a marketer and broker of natural gas, would import and export this gas under spot and short term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by Koch 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 Koch to import and export natural gas from and to \_\_\_\_\_

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

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

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Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Koch Gas Services Company (Koch) is authorized to import and export up to a combined total of 100 Bcf of natural gas from and to 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. The natural gas may be imported and exported at any U.S./Mexico border point.

B. Within two weeks after deliveries begin, Koch 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, Koch 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, Koch 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 April 30, 1995, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1995.

Issued in Washington, D.C., on January 13, 1995.

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