

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PHIBRO DIVISION OF SALOMON INC.) FE DOCKET NO. 95-10-NG
_____)

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

DOE/FE ORDER NO. 1028

FEBRUARY 16, 1995

I. DESCRIPTION OF REQUEST _____

On January 24, 1995, 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 Bcf of natural gas from Mexico and to export up to 200 Bcf of natural gas to Mexico over a two-year term, beginning on the date of first import or export. Phibro is a division of Salomon Inc. which is a Delaware corporation. Phibro's principal place of business is in Westport, Connecticut, and Salomon Inc.'s principal place of business is in New York, New York. Phibro plans to import and export the 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 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 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

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

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

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 authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas 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 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, 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 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 February 16, 1995.

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