

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)	
PHIBRO INC.)	FE DOCKET NOS. 95-60-NG
_____)	95-61-NG

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

DOE/FE ORDER NO. 1080

SEPTEMBER 11, 1995

I. DESCRIPTION OF REQUEST _____

On August 25, 1995, Phibro 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 Canadian natural gas, including liquefied natural gas (LNG), and to import up to 200 Bcf of Mexican natural gas. Phibro also requested authority to export up to 200 Bcf of natural gas to Canada and to export up to 200 Bcf of natural gas to Mexico. Phibro is a Delaware corporation with its principal place of business in Westport, Connecticut, and a wholly-owned subsidiary of Salomon Inc. Phibro will import and export the natural gas and LNG under spot and short-term purchase arrangements, on its own behalf or as an agent on behalf of its suppliers and purchasers. The proposed 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 and 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

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

natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Phibro to import and export natural gas and LNG 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. Phibro Inc. (Phibro) is authorized to import up to 200 Bcf of Canadian natural gas, including liquefied natural gas (LNG), and to import up to 200 Bcf of Mexican natural gas. Phibro is also authorized to export up to 200 Bcf of natural gas to Canada and to export up to 200 Bcf of natural gas to Mexico. Phibro's authorization is for a two-year term beginning on the date of first delivery of imported natural gas or LNG, or exported natural gas. This natural gas and LNG may be imported and exported at any United States border point.

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 of natural gas or LNG authorized in Ordering Paragraph A above have occurred.

C. With respect to the natural gas and LNG imports and natural gas 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 the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 October 30, 1995, and should cover the period from the date of this Order, until the end of the third calendar quarter, September 30, 1995.

Issued in Washington, D.C., on September 11, 1995.

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