

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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TENASKA GAS CO. )  
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FE DOCKET NO. 96-19-NG

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

DOE/FE ORDER NO. 1163

\_\_\_\_\_  
  
MAY 3, 1996  
  
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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On April 22, 1996, Tenaska Gas Co. (Tenaska) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to a combined total of 200 billion cubic feet (Bcf) of natural gas from Canada and Mexico over a two-year term beginning on the date of the first delivery. Tenaska, a Nebraska corporation with its principal place of business in Omaha, Nebraska, proposes to import natural gas from Mexican and Canadian producers and other suppliers, under short-term and spot market transactions, for sale to various United States customers, which may include local distribution companies and pipeline companies. Tenaska would import the natural gas at the international boundaries between the United States and Canada and Mexico. The proposed authorization does not involve the construction of new pipeline facilities.

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

The application filed by Tenaska has been evaluated to determine if the proposed import 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 of natural gas from nations with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be

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

consistent with the public interest and must be granted without modification or delay. The authorization sought by Tenaska to import natural gas from 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

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

A. Tenaska Gas Co. (Tenaska) is authorized to import up to a combined total of 200 Bcf of natural gas from Canada and Mexico over a two-year term beginning on the date of the first delivery. This natural gas may be imported at any point on the border between the United States and Canada, and between the United States and Mexico.

B. Within two weeks after deliveries begin, Tenaska 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Tenaska shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be

filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Tenaska must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import 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 United States transporter(s); (5) the point(s) of entry; (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, 1996, and should cover the period from the date of this Order, until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on May 3, 1996.

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