

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

THE BROOKLYN UNION)
GAS COMPANY)
_____)

FE DOCKET NO. 96-28-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 1170

MAY 29, 1996

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I. DESCRIPTION OF REQUEST _____

On May 6, 1996, The Brooklyn Union Gas Company (Brooklyn Gas) 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, requesting blanket authorization to import from Mexico up to 50 Bcf of natural gas over a two-year period beginning on the date of first delivery. Brooklyn Gas, a local distribution company, is a New York corporation with its principal place of business in Brooklyn, New York. Brooklyn Gas plans to import the gas on a short-term, spot, and interruptible basis, acting on its own account or as agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Brooklyn Gas 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 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 Brooklyn Gas to import natural gas from 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

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

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. The Brooklyn Union Gas Company (Brooklyn Gas) is authorized to import, at any point on the U.S.-Mexico border, up to 50 Bcf of natural gas from Mexico over a period of two years beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, Brooklyn Gas shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, 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, Brooklyn Gas shall file with the Office of Fuels Programs, 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Brooklyn Gas must report total monthly volumes in Mcf and the average purchase price 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 U.S. 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 29, 1996.

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