

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

COASTAL GAS MARKETING COMPANY) FE DOCKET NO. 96-45-NG
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ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA AND MEXICO

DOE/FE ORDER NO. 1183

JULY 10, 1996

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I. DESCRIPTION OF REQUEST _____

On June 28, 1996, as supplemented on July 1, 1996, Coastal Gas Marketing Company (CGM) 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 authorization to import up to 600 Bcf of natural gas from Canada and Mexico and to export up to 150 Bcf of natural gas to Canada and Mexico for a two-year term beginning on the date of first delivery after July 11, 1996.^{2/} CGM, a

Delaware corporation with its principal place of business in Houston, Texas, is in the business of buying and selling natural gas. The company will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by CGM 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 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

^{1/} 15 U.S.C. 717b.

^{2/} CGM's current authorization, granted by DOE/FE Order No. 959

on June 21, 1994, (1 FE 70,986) expires July 11, 1996.

be granted without modification or delay. The authorization sought by CGM to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transaction 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. Coastal Gas Marketing Company (CGM) is authorized to import up to a combined total of 600 Bcf of natural gas from Canada and Mexico and to export up to a combined total of 150 Bcf of natural gas to Canada and Mexico, at any point on the borders of the United States and Canada, and the United States and Mexico, over a two-year term beginning on the date of first import or export delivery after July 11, 1996.

B. Within two weeks after deliveries begin, CGM 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 and the date that the first 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, CGM 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, CGM 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, 1996,

and should cover the period from July 12, 1996, until the end of the third calendar quarter, September 30, 1996.

Issued in Washington, D.C., on July 10, 1996.

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