

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

NEWCO US, L.P.

FE DOCKET NO. 96-90-NG

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

DOE/FE ORDER NO. 1230

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DECEMBER 23, 1996

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I. DESCRIPTION OF REQUEST \_\_\_\_\_

On December 6, 1996, Newco US, L.P. (Newco L.P.) 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 1000 Bcf and to export up to 1000 Bcf of natural gas from and to Canada and Mexico. The term of the authorization would be for two years beginning on the date of the first import or export after December 31, 1996. Newco L.P., a marketer and broker of natural gas, is a Delaware limited partnership, with its principal place of business in Wilmington, Delaware. Newco L.P. will import and export the gas under spot and short-term transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

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

The application filed by Newco L.P. 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 sought by Newco L.P. to import and export natural gas from and to Canada

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

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 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. Newco US, L.P. (Newco L.P.) is authorized to import up to a combined total of 1000 Bcf and to export up to a combined total of 1000 Bcf of natural gas, from and to Canada and Mexico, over a two-year term beginning on the date of the initial import or export after December 31, 1996. The natural gas may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, Newco, L.P. shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, 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 authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Newco L.P. shall file with the Office of Natural Gas & Petroleum Import and Export Activities, 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, Newco L.P. 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 April 30, 1997, and should cover the period from January 1, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on December 23, 1996.

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Wayne E. Peters  
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Office of Natural Gas & Petroleum  
Import and Export Activities  
Office of Fossil Energy