

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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AIG TRADING CORPORATION ) FE DOCKET NO. 97-42-NG  
\_\_\_\_\_)

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

DOE/FE ORDER NO. 1276

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JUNE 10, 1997

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

On May 21, 1997, AIG Trading Corporation (AIG) filed an application with the Office of Fossil Energy (FE) 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, requesting blanket authorization to import and export natural gas from and to Canada and Mexico. AIG requests authorization to import up to 300 Bcf and to export up to 300 Bcf of natural gas from and to Canada, and to import up to 300 Bcf and to export up to 300 Bcf of natural gas from and to Mexico. The authorization would be for a period of two years beginning on the date of the first delivery of either imports or exports after June 15, 1997.<sup>2/</sup> AIG, a Delaware corporation with its principal place of business in Greenwich, Connecticut, is a subsidiary of American International Group, Inc. AIG is engaged in the business of dealing and trading in commodities, including, but not limited to, natural gas. AIG will import and export the gas under short-term and spot market transactions, on its own behalf and as an agent for others. The requested authorization does not involve the construction of new pipelines.

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

The application filed by AIG 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 \_\_\_\_\_

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

2/ This is the expiration date of the current blanket —  
import/export authorization for AIG granted by DOE/FE Order No.  
1060, issued June 15, 1995 (1 FE 71,129).

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 AIG 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 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. AIG Trading Corporation (AIG) is authorized to import up to 300 Bcf and to export up to 300 Bcf of natural gas from and to Canada, and to import up to 300 Bcf and export up to 300 Bcf of natural gas from and to Mexico. The term of this authorization is for a period of two years beginning on the date of the first import or export delivery after June 15, 1997, whichever occurs first. This natural gas may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, AIG shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities (OFP), Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue,

S.W., Washington, D.C. 20585, of the date that the first import or export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the imports and exports authorized by this Order, AIG shall file with 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, AIG 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 U.S. transporter(s); (7) the point(s) of entry or exit; and (8) the geographic market(s) served (for imports, by state). For import transactions only, the reports also shall 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 July 30, 1997,

and should cover the period from June 16, 1997, until the end of the second calendar quarter, June 30, 1997.

Issued in Washington, D.C., on June 10, 1997.

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