

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ENSERCH ENERGY SERVICES, INC.) FE DOCKET NO. 97-34-NG
_____)

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

DOE/FE ORDER NO. 1277

JUNE 10, 1997

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I. DESCRIPTION OF REQUEST _____

On April 21, 1997, Enserch Energy Services, Inc. (EES) 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 from Canada and Mexico up to 200 Bcf of natural gas and to export to Canada and Mexico up to 200 Bcf over a two-year term, commencing upon the expiration of its current blanket authorization on July 27, 1997.² EES is a wholly-owned subsidiary of ENSERCH Corporation, a corporation duly authorized and existing under the laws of the State of Texas. The principal place of business of EES is in Houston, Texas. EES is a marketer of natural gas. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by EES 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

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

2/ This is the expiration date of its current blanket import/export authorization granted by DOE/FE Opinion and Order

No. 598, issued April 10, 1992 (1 FE 70,558), as amended by
DOE/FE Order No. 598-A issued January 2, 1996 (1 FE 71,224).

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 EES 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

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

A. Enserch Energy Services, Inc. (EES) is authorized to import from Canada and Mexico up to 200 Bcf of natural gas and to export to Canada and Mexico up to 200 Bcf of natural gas over a two-year term commencing upon the first import or export after July 27, 1997.

B. Within two weeks after deliveries begin, EES shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, 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 has occurred.

C. With respect to the natural gas imports and exports authorized by this Order, EES 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, EES 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 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, 1997,

and should cover the period from July 28, 1997, until the end of the third calendar quarter, September 30, 1997.

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

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