

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CORPUS CHRISTI GAS MARKETING, L.P.

FE DOCKET NO. 97-90-NG

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

DOE/FE ORDER NO. 1325

OCTOBER 31, 1997

I. DESCRIPTION OF REQUEST

On October 22, 1997, Corpus Christi Gas Marketing, L.P. (CCGM) 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)⁽¹⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to an aggregate of 8 Bcf from Canada and Mexico and export up to an aggregate of 290 Bcf to Canada and Mexico. The term of the authorization would be for two years beginning on November 3, 1997. CCGM is a Texas limited partnership with its principal place of business in Houston, Texas. CCGM is managed by Corpus Christi Natural Gas, Inc. The companies managed by Corpus Christi Natural Gas, Inc. are involved in gathering, processing and marketing natural gas liquids as well as intrastate pipelines. CCGM 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 pipeline facilities.

CCGM also requests that two current blanket authorizations be vacated when the new blanket authorization for which it is applying is issued. Specifically, in DOE/FE Opinion and Order No. 457⁽²⁾, CCGM is authorized to export up to 145 Bcf of natural gas to Mexico, over a two-year term expiring August 1, 1998. Additionally, in DOE/FE Order No. 1144⁽³⁾, CCGM is authorized to import up to 4 Bcf of natural gas from Mexico over a two-year term expiring March 8, 1998.

II. FINDING

The application filed by CCGM 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 nations 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 CCGM 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. Corpus Christi Gas Marketing, L.P.(CCGM)is authorized to import up to an aggregate of 8 Bcf of natural gas from Canada and Mexico and to export up to an aggregate of 290 Bcf of natural gas to Canada and Mexico. The term of this authorization is for a period of two years beginning on November 3, 1997 through November 2, 1999. The natural gas may be imported and exported at any United States border point with Canada and Mexico.

B. DOE/FE Opinion and Order No. 457 previously issued to CCGM in FE Docket No. 90-79-NG, and DOE/FE Order No. 1144 previously issued to CCGM in FE Docket No. 96-04-NG are hereby vacated effective the date of this Order.

C. Within two weeks after deliveries begin, CCGM 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 of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports and exports authorized by this Order, CCGM 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, CCGM 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.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1998, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on October 31, 1997.

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

1. 15 U.S.C. § 717b.
2. 1 FE ¶70,386 (November 23, 1990).
3. 1 FE ¶71,234 (February 20, 1996).