

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

PHIBRO INC.

FE DOCKET NO. 97-105-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT  
NATURAL GAS, INCLUDING LIQUEFIED NATURAL GAS,  
AND TO EXPORT NATURAL GAS, FROM AND TO MEXICO

DOE/FE ORDER NO. 1339

DECEMBER 4, 1997

## I. DESCRIPTION OF REQUEST

On November 25, 1997, Phibro Inc. (Phibro) filed an application with the Office of Fossil Energy 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, for authorization to import up to 200 Bcf of natural gas, including liquefied natural gas (LNG), and to export up to 200 Bcf of natural gas from and to Mexico over a two-year term beginning on the date of first import or export delivery after December 31, 1997.<sup>(2)</sup> Phibro, a Delaware corporation with its principal place of business in Westport, Connecticut, is a wholly-owned subsidiary of Salomon, Inc. Phibro will import and export the natural gas under short-term transactions which will reflect current market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Phibro 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 be granted without modification or delay. The authorization sought by Phibro to import natural gas, including LNG, and to export natural gas from and to Mexico, a nation with which a free trade agreement is 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. Phibro Inc. (Phibro) is authorized to import up to 200 Bcf of natural gas, including liquefied natural gas (LNG), and to export up to 200 Bcf of natural gas from and to Mexico over a two-year term beginning on the date of first import or export delivery after December 31, 1997.
- B. This natural gas may be imported or exported at any point on the borders between the United States and Mexico. The LNG may be imported and exported at any point on the international border where existing LNG facilities are located.
- C. Within two weeks after deliveries begin, Phibro 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 or LNG authorized in Ordering Paragraph A above has occurred.
- D. With respect to the natural gas imports and exports authorized by this Order, Phibro 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 or LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas or LNG have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Phibro 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), including LNG tankers used; (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; (2) the country of origin; and, if applicable, (3) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. With respect to LNG imports the reports shall also indicate the average landed cost per MMBtu at the point of import.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1998, and should cover the period from January 1, 1998, until the end of the first calendar quarter, March 30, 1998.

Issued in Washington, D.C., on December 4, 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. / This is the expiration date of Phibro's existing blanket import/export authorization granted by DOE/FE Order No. 1080 on September 11, 1995 (1 FE ¶ 71,155).