UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ARKLA ENERGY MARKETING, INC.	)	FE DOCKET NO. 94-16-NG

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

DOE/FE ORDER NO. 925

MARCH 18, 1994

I. DESCRIPTION OF REQUEST

On March 8, 1994, Arkla Energy Marketing, Inc. (AEM) 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 200,000 Mcf per day of Canadian natural gas and up to 200,000 Mcf per day of Mexican natural gas over a two-year term beginning on the date of first delivery. AEM also requests authorization to export up to 200,000 Mcf per day of natural gas to Canada and to export up to 200,000 Mcf per day of natural gas to Mexico over a two-year term beginning on the date of first delivery. AEM, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned affiliate of Arkla Energy Resources, Inc. AEM will import and export the gas under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by AEM 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 importation or exportation 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

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

is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by AEM to import and export natural gas from and to Canada and Mexico, nations 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. Consistent with our treatment of similar blanket applications, there will be no restriction placed on the daily volume of gas that may be imported or exported.

ORDER

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

A. Arkla Energy Marketing, Inc. (AEM) is authorized to import up to 146 Bcf of natural gas from Canada, and to import up to 146 Bcf of natural gas from Mexico. AEM is also authorized to export up to 146 Bcf of natural gas to Canada, and to export up to 146 Bcf of natural gas to Mexico. These authorized transactions may take place at any United States border point.

B. This import and export authorization shall extend for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first.

C. Within two weeks after deliveries begin, AEM shall provide written notification to the Office of Fuels Programs

(OFP), 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 delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports and exports authorized by this Order, AEM shall file with OFP, 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, AEM must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name(s) of the U.S. transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) 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 April 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, March 31, 1994.

Issued in Washington, D.C., on March 18, 1994.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy