UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PENNZOIL GAS MARKETING COMPANY	FE DOCKET NO. 94-42-NG

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

DOE/FE ORDER NO. 961

JUNE 27, 1994

I. DESCRIPTION OF REQUEST

On May 12, 1994, as supplemented on May 24, 1994, Pennzoil Gas Marketing Company (PGMC) 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 and export up to a combined total of 80 billion cubic feet (Bcf) of natural gas from and to Canada, and to import and export up to a combined total of 80 Bcf of natural gas from and to Mexico, over a two-year term beginning on the date of first import or export. PGMC is a Delaware corporation with its principal place of business is in Houston, Texas, and a wholly-owned subsidiary of Pennzoil Exploration and Production Company, which is wholly-owned by Pennzoil Company. PGMC is a marketer of natural gas. PGMC plans to import and export the gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by PGMC 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 a nation with which there is in effect a free

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

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 authorizations sought by PGMC 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, are 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. Pennzoil Gas Marketing Company (PGMC) is authorized to import and export up to a combined total of 80 billion cubic feet (Bcf) of natural gas from and to Canada, and to import and export up to a combined total of 80 Bcf of natural gas from and to Mexico, over a two-year term, beginning on the date of first import or export. This natural gas may be imported and exported at any U. S. Border point.

B. Within two weeks after deliveries begin, PGMC 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.

C. With respect to the natural gas imports and exports authorized by this Order, PGMC 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 have occurred, PGMC must report total monthly volumes in thousand cubic feet (Mcf) and the average purchase price of gas per million British thermal units (MMBtu) at the international border. The reports also shall 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 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

Issued in Washington, D.C., on June 27, 1994.

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