UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

1 SOURCE ENERGY SERVICES COMPANY	)	FE DOCKET NO. 95-07-NG

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

DOE/FE ORDER NO.1024

JANUARY 31, 1995

I. DESCRIPTION OF REQUEST

On January 20, 1995, 1 Source Energy Services Company (1SESC),1/ filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),2/ and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import and export natural gas, including liquefied natural gas (LNG). Specifically, 1SESC requests authorization to import a combined total of up to 200 Bcf of natural gas, including LNG, from Canada and Mexico into the United States. In addition, 1SESC requests authorization to export a combined total of up to 200 Bcf of natural gas, including LNG, to Canada and Mexico. The term of the proposed authorization would be for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first, after January 31, 1995.3/

1SESC, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of 1 Source Corporation and Panhandle Eastern Corporation. 1SESC proposes to import and export natural gas in both gaseous and

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1/ 1SESC was formerly named Panhandle Trading Company (Panhandle). By letter dated June 21, 1994, DOE was notified that the company had changed its name to 1SESC, effective June 1, 1994.

2/ 15 U.S.C. 717b.

3/ This is the date 1SESC's current blanket authorization to import and export natural gas, including LNG, expires. See Panhandle, DOE/FE Opinion and Order No. 568 issued December 31, 1991 (1 FE 70,522), as amended, 1SESC, DOE/FE Order No. 568-A issued July 8, 1994 (1 FE 70,991).

liquid form under spot and short-term sales arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities or LNG shipping or receiving terminals.

II. FINDING

The application filed by 1SESC 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), an 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 1SESC to import and export natural gas, including LNG, 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.

ORDER

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

A. 1 Source Energy Services Company (1SESC) is authorized to import a combined total of up to 200 Bcf of natural gas, including liquefied natural gas (LNG), from Canada and Mexico. In addition, 1SESC is authorized to export a combined total of up to 200 Bcf of natural gas, including LNG, to Canada and Mexico. This authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first, after January 31, 1995. These transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, 1SESC shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export of natural gas or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the imports and exports authorized by this Order, 1SESC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports 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, 1SESC must report total monthly volumes of gas and LNG in Mcf and the average purchase price per 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 the 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 April 30, 1995, and should cover the period from February 1, 1995, until the end of the first calendar quarter, March 31, 1995.

Issued in Washington, D.C., on January 31, 1995.

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