UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TANGLEWOOD STORAGE & TRANSPORTATION CORP.	FE DOCKET NO. 95-47-NG

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

DOE/FE ORDER NO. 1066

JUNE 30, 1995

I. DESCRIPTION OF REQUEST

On June 12, 1995, Tanglewood Storage & Transportation Corp. (TSTC) 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 natural gas from and to Canada and Mexico. Specifically, TSTC requests authorization to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Canada, and to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Mexico. The authorization would be for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. TSTC, a Delaware corporation with its principal place of business in Greenwich, Connecticut, is a subsidiary of AIG Trading Corporation (AIG). AIG is engaged in the business of dealing and trading in commodities, including natural gas. TSTC will import and export the gas under short-term and spot market transactions, on its own behalf and as an agent for others. No new pipeline construction would be involved.

II. FINDING

The application filed by TSTC 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

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

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 TSTC 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.

ORDER

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

A. Tanglewood Storage & Transportation Corp. (TSTC) is authorized to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Canada, and to import up to 200 Bcf and to export up to 200 Bcf of natural gas from and to Mexico. The term of this authorization is for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first. These authorized transactions may take place at any United States border point.

B. Within two weeks after deliveries begin, TSTC 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, TSTC 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, TSTC 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 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 October 30, 1995, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 1995.

Issued in Washington, D.C., on June 30, 1995.

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