UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CHANNEL GAS MARKETING COMPANY	)	FE DOCKET NO. 95-70-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 1098

OCTOBER 24, 1995

I. DESCRIPTION OF REQUEST

On September 12, 1995, Channel Gas Marketing Company (CGM) 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, requesting blanket authorization to import up to 200 Bcf of natural gas from Mexico over a two-year term. CGM, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Tenneco Energy Resources Corporation. The company would import this gas under spot and short-term purchase arrangements. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by CGM has been evaluated to determine if the proposed import 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 of natural gas from 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 CGM to import natural gas from Mexico, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the

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

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. Channel Gas Marketing Company (CGM) is authorized to import from Mexico up to 200 Bcf of natural gas over a two-year term, beginning on the date of first delivery. The gas may be imported at any U.S./Mexico border point.

B. Within two weeks after deliveries begin, CGM 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, CGM shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, CGM must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import 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; (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 B of this Order is due not later than January 30, 1996, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on October 24, 1995.

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