

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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AGE MARKETING COMPANY )  
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FE DOCKET NO. 92-146-NG

ORDER GRANTING BLANKET AUTHORIZATION  
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE OPINION AND ORDER NO. 761

JANUARY 21, 1993

I. BACKGROUND

On November 12, 1992, AGE Marketing Company (AGE) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to export up to 100 Bcf of natural gas to Mexico over a two-year period beginning with the date of first delivery. AGE, a Texas corporation with its principal place of business in Dallas, Texas, is a marketer of oil and gas. All sales would result from arms-length negotiations, and prices would be determined by market conditions.

In support of its application, AGE maintains that there is no present domestic need for the gas to be exported and that its export proposal will facilitate the marketing of surplus U.S. gas. According to AGE, only existing pipeline facilities would be used to transport the gas and it will submit quarterly reports detailing each transaction.

A notice of the application was published in the Federal Register on December 4, 1992, inviting protests, motions to intervene, notices of intervention, and comments to be filed by January 4, 1993.<sup>1/</sup> No comments or motions to intervene were received.

<sup>1/</sup> 57 F.R. 57445.

## II. DECISION

The application filed by AGE has been evaluated to determine if the proposed export arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an export must be authorized unless there is a finding that it "will not be consistent with the public interest."<sup>2/</sup> In reviewing natural gas export applications, domestic need for the gas to be exported is considered, and any other issues determined to be appropriate in a particular case.

AGE's uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and the DOE's international gas trade policy. Natural gas supplies in the U.S. are expected to be more than adequate to meet domestic consumer demand. For this reason, and because AGE's transactions will be short-term and market-responsive, it is unlikely the proposed export volumes will be needed domestically during the term of the authorization. In addition, AGE's proposal, like other blanket export proposals that have been approved by the DOE,<sup>3/</sup> will further the Secretary's policy goals of reducing trade barriers by encouraging market forces to achieve a more competitive distribution of goods between the U.S. and Mexico. Thus, AGE's export arrangement will enhance cross-border competition in the marketplace.

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<sup>2/</sup> 15 U.S.C. 717b.

3/ E.g., GPM Gas Corporation, 1 FE 70,691 (October 19,1992);

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P.M.I. Comercio Internacional, S.A. de C.V., 1 FE 70,686

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(October 6, 1992); SDS Petroleum Products Inc., 1 FE 70,682

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(August 24, 1992).

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After taking into consideration all of the information in the record of this proceeding, I find that granting AGE blanket authorization to export up to 100 Bcf of natural gas to Mexico over a period of two years, under contracts with terms of two years or less, is not inconsistent with the public interest and should be approved.<sup>4/</sup>

ORDER

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For reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. AGE Marketing Company (AGE) is authorized to export up to 100 Bcf of natural gas from the United States to Mexico over a two-year term beginning on the date of the first delivery.

B. AGE is authorized to export natural gas at any point on the U.S./Mexico border where existing pipeline facilities are located.

C. Within two weeks after deliveries begin, AGE shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. Regarding the natural gas exports authorized by this

order, AGE shall file with the Office of Fuels Programs, within

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4/ Because the proposed export of gas will use existing facilities, DOE has determined that granting this authorization is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. 4321, et seq.) and

— — therefore neither an environmental impact statement nor environmental assessment is required. See 40 C.F.R. 1508.4 and

— — 57 F.R. 15122 (April 24, 1992).

30 days following each calendar quarter, quarterly reports indicating whether export sales have been made. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, AGE must report total monthly volumes in Mcf, and the average sales price per MMBtu. The reports shall also provide the details of each export transaction, including (1) the name of the purchaser(s); (2) the estimated or actual duration of the agreements; (3) the name of the U.S. transporter(s); (4) the point(s) of exit; (5) the geographic markets served; and, (6) whether the sales are being made on an interruptible or firm basis.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than April 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter March 31, 1993.

Issued in Washington, D.C., on January 21, 1993.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy