

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

MOBIL NATURAL GAS INC.)
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)

FE DOCKET NO. 93-135-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA,
INCLUDING LIQUEFIED NATURAL GAS

DOE/FE ORDER NO. 899

DECEMBER 27, 1993

I. DESCRIPTION OF REQUEST _____

On November 30, 1993, Mobil Natural Gas Inc. (MNGI) 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 Canada, including liquefied natural gas (LNG). The term of the authorization would be for a period of two years beginning on the date of first delivery after February 15, 1994.^{2/} MNGI, a

Delaware corporation with its principal place of business in Houston, Texas, is a marketer of natural gas supplies in the United States, Mexico, and Canada. The company is a wholly-owned subsidiary of Mobil Corporation. MNGI will import this gas and LNG under spot and short-term transactions, either on its own behalf or as the agent for others.

II. FINDING _____

The application filed by MNGI 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), the importation 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

1. 15 U.S.C. § 717b.

2. This is the day MNGI's current two-year blanket import

authorization expires. See DOE/ERA Opinion and Order No. 579
issued February 12, 1992 (1 FE □ 70,535).

modification or delay. This statutory public interest finding also applies to LNG imports (but not to LNG exports), regardless of whether the United States has a free trade agreement with the foreign country from which the LNG is to be imported. The authorization sought by MNGI to import natural gas and LNG from Canada, a nation 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. Mobil Natural Gas Inc. (MNGI) is authorized to import from Canada, at any point on the international border, up to 200 Bcf of natural gas, including liquefied natural gas, over a period of two years beginning on the date of the first delivery after February 15, 1994.

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

C. With respect to the gas imports authorized by this Order, MNGI shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports

indicating whether imports of natural gas and LNG 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, MNGI 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 C of this Order is due not later than April 30, 1994, and should cover the period from February 16, 1994, until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on December 27, 1993.

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