

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
GULF ENERGY MARKETING COMPANY) FE DOCKET NO. 94-03-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 914

JANUARY 24, 1994

I. DESCRIPTION OF REQUEST _____

On January 10, 1994, Gulf Energy Marketing Company (Gulf Energy) 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 150 billion cubic feet (Bcf) of natural gas from Mexico over a two-year term beginning on the date of first delivery. Gulf Energy, a Delaware corporation with its principal place of business in Houston, Texas, intends to import and sell this gas under spot and short-term transactions.^{2/} The requested

authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Gulf Energy 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 Gulf Energy

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

2/ Currently, Gulf Energy is authorized by DOE/FE Opinion and Order No. 323, issued August 2, 1989, to export up to 105 Bcf of

gas to Mexico. Exports have not yet commenced under this two-year blanket authorization.

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 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. Gulf Energy Marketing Company (Gulf Energy) is authorized to import up to 150 Bcf of natural gas from Mexico, at any point on the United States/Mexico border, over a two-year term beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, Gulf Energy 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, Gulf Energy 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 have occurred, Gulf Energy 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 point(s) of entry; (5) the name of the United States transporter(s); (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, 1994, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on January 24, 1994.

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