

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
GAS COMPANY OF NEW MEXICO) FE DOCKET NO. 92-154-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO EXPORT
NATURAL GAS TO MEXICO AND GRANTING INTERVENTION

DOE/FE ORDER NO. 930

APRIL 7, 1994

I. DESCRIPTION OF REQUEST

On December 7, 1992, Gas Company of New Mexico (GCNM), a Division of Public Service Company of New Mexico, 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 export up to 8 Bcf of natural gas to Mexico over a two-year term, beginning on the date of first delivery. GCNM is a New Mexico corporation with its principal place of business in Albuquerque, New Mexico. The gas would be sold under spot and short-term transactions to end users at an industrial park under development across the U.S./Mexico border near Santa Teresa, New Mexico. GCNM has received approval from the Federal Energy Regulatory Commission (FERC) to construct export facilities at the international border in order to deliver the gas.^{2/}

A notice of the application was published in the Federal Register on January 5, 1993, inviting protests, motions to intervene, notices of intervention, and comments to be filed by

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

2/ See Gas Company of New Mexico, 64 FERC 61,226 (August 6, 1993), rehearing denied, 65 FERC 61,299 (December 2, 1993). The border-crossing facilities will consist of a meter station and 150 feet of 8-inch-diameter pipeline that will interconnect with the Mexican pipeline facilities owned by Petroleos Mexicanos, S.A. (PEMEX). GCNM also proposes to construct 22 miles of upstream pipeline that would extend from its existing distribution system near Sunland Park, New Mexico, and from a new

tap on the interstate pipeline system owned by El Paso Natural Gas Company (El Paso).

February 4, 1993.^{3/} El Paso filed a motion to intervene
without substantive comments or request for additional
procedures. This authorization grants intervention to El Paso.

II. FINDING _____

The application filed by GCNM has been evaluated to
determine if the proposed export arrangement meets the public
interest requirement of section 3 of the Natural Gas Act (NGA),
as amended by section 201 of the Energy Policy Act of 1992
(Pub. L. 102-486). Under section 3(c), the export of natural gas
to 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.
With the enactment of the North American Free Trade Agreement
(NAFTA) which went into effect January 1, 1994, natural gas trade
between the United States and Mexico has been brought within the
scope of section 3(c) of the NGA.^{4/} Thus, the authorization
sought by GCNM to export natural gas to Mexico is consistent with
the public interest. This blanket order authorizes transactions
under contracts with terms of no longer than two years.

3/ 58 Fed. Reg. 347. _____

4/ Imports and exports with Canada have been approved under

section 3(c) of the NGA since the Energy Policy Act of 1992 was signed into law on October 24, 1992, consistent with the 1988 United States - Canada Free Trade Agreement.

ORDER

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

A. Gas Company of New Mexico (GCNM), a Division of Public Service Company of New Mexico, is authorized to export up to 8 Bcf of natural gas to Mexico over a two-year term, beginning on the date of first delivery. This natural gas shall be exported at the U.S./Mexico border near Santa Teresa, New Mexico.

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

C. With respect to the natural gas exports authorized by this Order, GCNM shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, GCNM must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports also shall provide the details of each export transaction, including: (1) the name of the seller; (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 of exit; (6) the geographic market served; and (7) whether sales are being made on an interruptible or firm basis.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1994, and should cover the period from the date of this Order until the end of the second calendar quarter, June 30, 1994.

E. The motion to intervene filed by El Paso Natural Gas Company is hereby granted, provided that its participation is limited to the matters specifically set forth in its motion to intervene and not herein specifically denied, and shall not be construed as recognition that it may be aggrieved because of any order issued in this proceeding.

Issued in Washington, D.C., on April 7, 1994.

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