

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CMEX ENERGY, INC.)

_____)

FE DOCKET NO. 94-23-NG

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

DOE/FE ORDER NO. 935

APRIL 20, 1994

I. DESCRIPTION OF REQUEST _____

On March 23, 1994, as supplemented on April 26, 1994, CMEX Energy, Inc. (CMEX) 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 import and export a combined total of up to 200 Bcf of natural gas, including liquefied natural gas (LNG), from and to Canada and Mexico, over a two-year term beginning on the date of first delivery after April 30, 1994.^{2/} CMEX, an affiliate of Trinity

Pipeline Inc., is a Texas corporation with its principal place of business in Dallas, Texas. CMEX requests authority to import the gas under short-term and spot market transactions for its own account, as well as for the accounts of others for which CMEX may agree to act as agent. The requested authorization does not involve the construction of new pipeline or LNG facilities.

II. FINDING _____

The application filed by CMEX has been evaluated to determine if the proposed import/export 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 import or export of natural gas from a nation with which there is in effect a free trade

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

2/ This is the expiration date of CMEX's current blanket

authorization to import and export natural gas and LNG, granted by DOE/FE Opinion and Order No. 603 on April 17, 1992 (1 FE 70,563).

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 CMEX to import and export natural gas and LNG from and to Canada and Mexico, nations 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. CMEX Energy, Inc. (CMEX) is authorized to import and export from and to Canada and Mexico, a combined total of up to 200 Bcf of natural gas, including liquefied natural gas (LNG), over a two-year term beginning on the date of first delivery after April 30, 1994. This natural gas and LNG may be imported and exported at any United States border point.

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

C. With respect to the natural gas and LNG imports and

exports authorized by this Order, CMEX shall file with OFP,

within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas or LNG have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, CMEX must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export 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 and exit; (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 July 30, 1994, and should cover the period from May 1, 1994, until the end of the second calendar quarter, June 30, 1994.

Issued in Washington, D.C., on April 20, 1994.

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