

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
SDS PETROLEUM PRODUCTS, INC.) FE DOCKET NO. 94-34-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 944

MAY 3, 1994

I. DESCRIPTION OF REQUEST _____

On April 6, 1994, SDS Petroleum Products, Inc. (SDS) 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 up to 135,000 MMBtu (approximately 135,000 Mcf) per day of natural gas from Mexico over a two-year term beginning on the date of first delivery. SDS, a Colorado corporation with its principal place of business in Denver, Colorado, will import the gas under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by SDS 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 modification or delay. The authorization sought by SDS 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

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

authorizes transactions under contracts with terms of no longer than two years. Consistent with our treatment of similar blanket applications, there will be no restriction placed on the daily volume of gas that may be imported.

ORDER

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

A. SDS Petroleum Products, Inc. (SDS) is authorized to import from Mexico, at any point on the international border, up to 98.55 Bcf (135,000 Mcf per day x 730 days) of natural gas over a two-year term, beginning on the date of first delivery.

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

C. With respect to the natural gas imports authorized by this Order, SDS shall file with OFP, 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 occur, SDS 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 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(s) 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 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.

Issued in Washington, D.C., on May 3, 1994.

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