

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

\_\_\_\_\_)  
VALERO INDUSTRIAL GAS, L.P. ) FE DOCKET NO. 95-66-NG  
\_\_\_\_\_)

ORDER GRANTING BLANKET AUTHORIZATION  
TO IMPORT AND EXPORT NATURAL GAS FROM AND TO MEXICO

DOE/FE ORDER NO. 1084

SEPTEMBER 21, 1995

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On August 31, 1995, Valero Industrial Gas, L.P. (Valero) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export natural gas from and to Mexico. Up to a combined total of 300 Bcf of natural gas would be imported and exported over a two-year term beginning on October 23, 1995.<sup>2/</sup> Valero is a Delaware limited partnership with its principal place of business in San Antonio, Texas. Valero plans to import and export the gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by Valero 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 or 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 without modification or delay. The authorization

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

2. Valero's existing blanket import/export authorization granted

by DOE/FE Opinion and Order No. 846 dated September 29, 1993 (1  
FE 70,848) expires October 22, 1995.

sought by Valero to import and export natural gas from and to 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. Valero Industrial Gas, L.P. (Valero) is authorized to import and export up to a combined total of 300 Bcf of natural gas from and to Mexico over a two-year term, beginning on the date of first import or export delivery after October 22, 1995. This natural gas may be imported and exported at any point on the border of the United States and Mexico.

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

C. With respect to the natural gas imports and exports authorized by this Order, Valero shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial

deliveries have begun. 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, Valero 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 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 interruptable 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 January 30, 1996, and should cover the period from October 23, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on September 21, 1995.

---

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