

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

DISTRIBUIDORA DE GAS)
NATURAL DE MEXICALI)
)
)

FE DOCKET NO. 97-43-NG

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

DOE/FE ORDER NO. 1286

JUNE 27, 1997

I. DESCRIPTION OF REQUEST _____

On June 3, 1997, Distribuidora de Gas Natural de Mexicali (DGN) filed an application with the Office of Fossil Energy (FE) 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 25,000 MMBtus^{2/} of natural gas per day from Canada and to export up to

25,000 MMBtus per day of Canadian or U.S. natural gas to Mexico.

DGN requests authorization by July 1, 1997, for a term of two years. DGN, is a limited liability partnership incorporated in

Mexicali, Baja California, Mexico. DGN is owned by three partners: Proxima Gas, S.A. de D.V.; Enova de Mexico, S.A. de

C.V., a subsidiary of Enova International; and Pacific

Enterprises International-Mexico, a subsidiary of Pacific

Enterprises International. Effective July 15, 1997, DGN will

operate gas distribution facilities providing transportation to

marketers, sales and distribution services in and around

Mexicali. DGN will import and export gas under short-term and

spot market transactions on its own behalf and as an agent for

others.

II. FINDING _____

The application filed by DGN 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

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

2. 25,000 MMBtus per day for two years is equivalent to 18.3 Bcf of natural gas.

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 sought by DGN to import natural gas from Canada and export natural gas to Mexico, nations with which free trade agreements are 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. Distribuidora de Gas Natural de Mexicali (DGN) is authorized to import up to 18.3 Bcf of natural gas from Canada and to export up to 18.3 Bcf of Canadian or U.S. natural gas to Mexico. The term of this authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first. The natural gas may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, DGN shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, DGN shall file with the Office of Natural Gas & Petroleum Import and Export Activities, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, DGN must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 October 30, 1997,

and should cover the period from July 1, 1997, until the end of the third calendar quarter, September 30, 1997.

Issued in Washington, D.C., on June 27, 1997.

Wayne E. Peters
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Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy