

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PEMEX GAS Y PETROQUIMICA BASICA

FE DOCKET NO. 97-53-NG

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

DOE/FE ORDER NO. 1289

JULY 11, 1997

I. DESCRIPTION OF REQUEST

On July 9, 1997, Pemex Gas y Petroquimica Basica (Pemex Gas) 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, requesting blanket authorization to import and export a combined total of up to 160 Bcf of natural gas, including liquefied natural gas (LNG), from and to Mexico over a period of two years beginning on January 1, 1997.⁽²⁾ Pemex Gas is a decentralized public entity of the federal government of Mexico and a subsidiary of Petroleos Mexicanos, which is also a decentralized public entity of the federal government of Mexico. Pemex Gas supplies natural gas to markets throughout Mexico, and owns and operates transmission and distribution facilities in Mexico for that purpose. Pemex Gas from time to time augments its domestic production with supplies of gas imported from the United States and exports surplus gas supplies to markets in the United States. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Pemex Gas has been evaluated to determine if the proposed import and 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), an import or export of natural gas, including LNG, 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 Pemex Gas to import and export natural gas, including LNG, 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. Pemex Gas y Petroquimica Basica (Pemex Gas) is authorized to import and export a combined total of up to 160 Bcf of natural gas, including LNG, from and to Mexico. This authorization is for a period of two years beginning January 1, 1997, through December 31, 1998. These transactions may take place at any United States border point.

B. With respect to the natural gas, including LNG, imports and exports authorized by this Order, Pemex Gas shall file with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports 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 have occurred, Pemex Gas 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; (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 or exit; (6) the geographic market(s) served (for imports by State). For import transactions only, the report shall also include: (1) whether the 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.

C. The first two quarterly reports required by Ordering Paragraph B of this Order are due not later than July 30, 1997. The first report should cover the period from January 1 until March 30, 1997, and the second report from April 1 until the end of the second calendar quarter, June 30, 1997.

Issued in Washington, D.C., on July 11, 1997.

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

1. 1/ 15 U.S.C. § 717b.

2. 2/ Previously, exports or imports for the benefit of Pemex Gas were conducted under authorizations granted to parties who provided this service for Pemex Gas; these entities also reported such transactions to FE. Recently, Pemex Gas was informed by certain parties that, as of January 1, 1997, these procedures would no longer be followed. Consequently, Pemex Gas is seeking the instant import/export authorization in its own name, with the request that such authorization be made effective January 1, 1997. In addition to all prospective activity under this authorization Pemex Gas will report all imports/exports since January 1, 1997, which are not otherwise covered in reports filed with FE.