

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

EL PASO ENERGY MARKETING COMPANY

FE DOCKET NO. 97-52-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS  
FROM MEXICO

DOE/FE ORDER NO. 1291

JULY 25, 1997

## I. DESCRIPTION OF REQUEST

On July 7, 1997, El Paso Energy Marketing Company (EPEM) 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 up to 200 billion cubic feet (Bcf) of natural gas from Mexico over a two-year term beginning on the date of the first delivery after August 30, 1997.<sup>(2)</sup> EPEM is a Kentucky corporation with its principal place of business in Houston, Texas, and a subsidiary of El Paso Natural Gas Company. EPEM proposes to import the natural gas as a broker on behalf of interstate and intrastate pipelines, local distribution companies and end-users under short-term and market sensitive purchase arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by EPEM 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 import 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 EPEM 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 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. El Paso Energy Marketing Company (EPEM) is authorized to import up to 200 Bcf of natural gas from Mexico over a two-year term beginning on the date of the first delivery after August 30, 1997. This natural gas may be imported at any point on the border of the United States and Mexico.

B. Within two weeks after deliveries begin, EPEM shall provide written notification to 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, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, EPEM 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 of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, EPEM 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 of the United States 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 October 30, 1997, and should cover the period from August 30, 1997, until the end of the third calendar quarter, September 30, 1997.

Issued in Washington, D.C., on July 25, 1997.

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

1. / 15 U.S.C. § 717b.

2. / This is the expiration date of EPEM's existing blanket import authorization granted by DOE/FE Order Nos. 940, 940-A, and 940-B dated respectively May 3, 1994, (1 FE ¶ 70,963) February 13, 1997, (1 FE ¶ 71,369) and July 25, 1997, (unpublished).