

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

PG&E TEXAS INDUSTRIAL ENERGY, L.P.

FE DOCKET NO. 97-65-NG

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

DOE/FE ORDER NO. 1301

SEPTEMBER 30, 1997

## I. DESCRIPTION OF REQUEST

On September 22, 1997, (PG&E Industrial) 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 authorization 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 October 23, 1997.<sup>(2)</sup> PG&E Industrial, a Delaware limited partnership with its principal place of business in San Antonio, Texas. PG&E Industrial will import and export the natural gas under short-term and spot market arrangements on its own behalf as well as on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by PG&E Industrial 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), 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 PG&E Industrial 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. PG&E Industrial Energy, L.P. (PG&E Industrial) 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 delivery after October 22, 1997. This natural gas may be imported or exported at any point on the border of the United States and Mexico.

B. Within two weeks after deliveries begin, PG&E Industrial 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 or export delivery of natural gas authorized in Ordering Paragraph A above has occurred.

C. With respect to the natural gas imports and exports authorized by this Order, PG&E Industrial 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, PG&E Industrial 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 U. S. 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 January 30, 1998, and should cover the period from October 23, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on September 30, 1997.

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

1. / 15 U.S.C. § 717b.

2. / This is the expiration date of PG&E Industrial's existing blanket import/export authorization granted by DOE/FE Order Nos. 1084 and 1084-A, dated September 21, 1995, (1 FE ¶ 71,160) and September 30, 1997, unpublished.