

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ENRON CAPITAL & TRADE RESOURCES CORPORATION

FE DOCKET NO. 97-75-NG

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

DOE/FE ORDER NO. 1322

OCTOBER 27, 1997

I. DESCRIPTION OF REQUEST

On October 8, 1997, as amended on October 16, 1997, Enron Capital & Trade Resources Corporation (ECT) 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, for authorization to import up to 200 billion cubic feet(Bcf) annually of natural gas and to export up to 200 Bcf annually of natural gas from and to Mexico over a two-year term beginning on January 1, 1998.⁽²⁾ ECT, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Enron Corporation. ECT will import and export the natural gas under short-term and spot market arrangements for sale to ECT's markets throughout the United States and Mexico. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by ECT 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 ECT 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. Consistent with our treatment of similar blanket applications and in order to maximize flexibility, there will be no restriction on the annual volumes that may be imported and exported.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

- A. Enron Capital & Trade Resources Corporation (ECT) is authorized to import up to 400 Bcf of natural gas and to export up to 400 Bcf of natural gas from and to Mexico over a two-year term, from January 1, 1998, through December 31, 2000. This natural gas may be imported or exported at any point on the border of the United States and Mexico.
- B. With respect to the natural gas imports and exports authorized by this Order, ECT shall file 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, ECT 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.
- C. With respect to the quarterly reports required by this Order, ECT shall file the quarterly reports 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.
- D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1998, and should cover the period from January 1, 1998, until the end of the first calendar quarter, March 30, 1998.

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

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. 2/ ECT's current blanket authorization to import and export natural gas from and to Mexico expires December 31, 1997. See DOE/FE Order No. 1123 issued November 22, 1995 (1 FE 71,205).