

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

COOK INLET ENERGY SUPPLY, LIMITED PARTNERSHIP

FE DOCKET NO. 98-02-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1353

JANUARY 16, 1998

I. DESCRIPTION OF REQUEST

On January 13, 1998, Cook Inlet Energy Supply, Limited Partnership (Cook Inlet), 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 export up to 200 billion cubic feet (Bcf) of natural gas to Mexico over a two-year term beginning on the date of the first export. Cook Inlet, a Delaware limited partnership with its principal place of business in Los Angeles, California, is comprised of Cook Inlet Energy Supply Corporation, a wholly-owned subsidiary of Cook Inlet Region, Inc., a large Alaska native corporation established under the Alaska Native Claims Settlement Act of 1971 (U.S. Congress) and three general partners (Houston Natural Gas Company, Enron Minority Development Corporation, and Inupiat Energy Corporation). The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Cook Inlet has been evaluated to determine if the proposed 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 exportation of natural gas 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 Cook Inlet to export natural gas 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. Cook Inlet Energy Supply, Limited Partnership (Cook Inlet) is authorized to export to Mexico, at any point on the United States/Mexico border, up to 200 billion cubic feet (Bcf) of natural gas over a two-year term beginning on the date of first export delivery.
- B. Within two weeks after deliveries begin, Cook Inlet shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first export of natural gas authorized in Ordering Paragraph A above occurred.
- C. With respect to the natural gas exports authorized by this Order, Cook Inlet shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Cook Inlet must report monthly the following: (1) total volumes in Mcf; (2) the average 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); and (7) the point(s) of exit.
- D. The reporting requirements stipulated by Ordering Paragraphs B and C of this Order shall be filed 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.
- E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1998, and should cover the period from the date of this Order until the end of the first calendar quarter March 31, 1998.

Issued in Washington, D.C., on January 16, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.