

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ENER-SON OF U.S.A.

FE DOCKET NO. 98-66-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1419

SEPTEMBER 30, 1998

I. DESCRIPTION OF REQUEST

On September 19, 1998, Ener-Son of U.S.A. (Ener-Son), 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 2.1 billion cubic feet of liquefied natural gas (LNG) to Mexico by truck over a two-year term beginning on the date of first delivery. Ener-Son, a Nevada corporation with an office in Fair Oaks, California, is engaged in the business of the development of and sales to new industrial and commercial markets for natural gas in the northern states of Mexico and Baja California. The requested authorization does not involve the construction of new or separate facilities in order to export the authorized LNG to Mexico.

II. FINDING

The application filed by Ener-Son 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 Ener-Son to export LNG 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.

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

A. Ener-Son of U.S.A. (Ener-Son) is authorized to export to Mexico, at any point on the United States/Mexico border, up to 2.1 billion cubic feet of liquefied natural gas (LNG) over a two-year term beginning on the date of first delivery.

B. Within two weeks after deliveries begin, Ener-Son shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first export of LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the LNG exports authorized by this Order, Ener-Son 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 LNG 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, Ener-Son 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 first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1999, and should cover the period from the date of this Order until the end of the fourth calendar quarter December 31, 1998.

E. The notification and reports required 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 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on September 30, 1998.

Clifford P. Tomaszewski

Acting, Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.