

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SEMPRA ENERGY TRADING CORP.)

FE DOCKET NO. 99-36-NG

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

DOE/FE ORDER NO. 1487

JUNE 04, 1999

I. DESCRIPTION OF REQUEST

On June 1, 1999, Sempra Energy Trading Corp. (Sempra) 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 300 Bcf of natural gas and to export up to 300 Bcf of natural gas from and to Canada, and to import up to 300 Bcf of natural gas and to export up to 300 Bcf of natural gas from and to Mexico. The authorization would be for a two-year term beginning on June 16, 1999, and extending through June 15, 2001.^{2/} Sempra, a Delaware corporation with its principal place of business in Stamford, Connecticut, is engaged in the business of dealing and trading commodities, including, but not limited to, natural gas. Sempra will import and export the natural gas under short-term and spot market transactions, on its own behalf and as an agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Sempra 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 Sempra to import and export natural gas from and to Canada and Mexico, nations with which free

1/ 15 U.S.C. § 717b.

2/ Sempra's current blanket authorization to import and export natural gas granted by DOE/FE Order Nos. 1276 and 1276-A (Order 1276-A) dated June 10, 1997, and January 22, 1998, (1 FE ¶ 71,412 and 1 FE ¶ 71,519 respectively) expires June 15, 1999. Sempra was originally AIG Trading Corporation and was renamed in Order 1276-A.

trade agreements are 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. Sempra Energy Trading Corp. (Sempra) is authorized to import up to 300 Bcf of natural gas and to export up to 300 Bcf of natural gas from and to Canada, and to import up to 300 Bcf of natural gas and to export up to 300 Bcf of natural gas from and to Mexico. The term of this authorization is for a two-year period beginning on June 16, 1999, and extending through June 15, 2001.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

C. With respect to the natural gas imports and exports authorized by this Order, Sempra shall file with the Office of Natural Gas & Petroleum Import & 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, Sempra 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 quarterly reports required by Ordering Paragraph C of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, 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 July 30, 1999, and should cover the period from June 16, 1999, until the end of the second calendar quarter, June 30, 1999.

Issued in Washington, D.C., on June 04, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy