

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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RELIANT ENERGY SERVICES, INC. )

FE DOCKET NO. 99-54-NG

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

DOE/FE ORDER NO. 1508

AUGUST 27, 1999

## I. DESCRIPTION OF REQUEST

On August 6, 1999, Reliant Energy Services, Inc. (Reliant) 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 up to 292 billion cubic feet (Bcf) of natural gas and to export up to 292 Bcf of natural gas from and to Canada and to import up to 292 Bcf of natural gas and to export up to 292 Bcf of natural gas from and to Mexico. The term of the authorization would be for two years beginning on the date of the first import or export delivery after September 10, 1999.<sup>2/</sup> Reliant is a Delaware corporation having its principal place of business in Houston, Texas. This gas would be imported and exported under short-term and spot market transactions either on Reliant's own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

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

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<sup>1/</sup> 15 U.S.C. §717b.

<sup>2/</sup> Reliant's current blanket import and export authorization granted by DOE/FE Order No. 1270 on April 24, 1997 (1 FE ¶ 71,399), and amended by DOE/FE Order No. 1270-A on March 19, 1999 (2 FE ¶ 70,313) expires on September 10, 1999.

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. Reliant Energy Services, Inc. (Reliant) is authorized to import up to 292 Bcf of natural gas and to export up to 292 Bcf from and to Canada and to import up to 292 Bcf of natural gas and to export up to 292 Bcf of natural gas from and to Mexico. The term of this authorization is for a period of two years beginning on the date of first import or export delivery after September 10, 1999. This natural gas may be imported or exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

B. Within two weeks after deliveries begin, Reliant shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first import or export of natural gas authorized in Ordering Paragraph A above has occurred.

C. With respect to the imports and exports authorized by this Order, Reliant shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Reliant must report the following: (1) total monthly volumes in Mcf; (2) the average monthly 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 or exit; and (8)

the geographic market(s) served (for imports, by State). For import transactions only, the reports also shall 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. [OMB No.: 1901-0294]

D. The notification and reporting requirements described in Ordering Paragraphs B and 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 October 30, 1999, and should cover the period from September 11, 1999, until the end of the third calendar quarter, September 30, 1999.

Issued in Washington, D.C., on August 27, 1999.

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