

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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EL PASO ENERGY MARKETING COMPANY ) FE DOCKET NO. 99-59-NG  
\_\_\_\_\_) )

ORDER GRANTING BLANKET AUTHORIZATION  
TO IMPORT NATURAL GAS FROM MEXICO

DOE/FE ORDER NO. 1509

AUGUST 27, 1999

## I. DESCRIPTION OF REQUEST

On August 25, 1999, El Paso Energy Marketing Company (EPEM) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>1/</sup> (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 200 billion cubic feet of natural gas from Mexico over a two-year term beginning on the date of first delivery after August 30, 1999.<sup>2/</sup> EPEM, a marketer of natural gas, is a Delaware corporation with its principal place of business in Houston, Texas. EPEM is a wholly-owned subsidiary of El Paso Energy Corporation. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by EPEM has been evaluated to determine if the proposed import 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 EPEM to import natural gas from 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.

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> August 30, 1999, is the expiration date of EPEM's import authorization granted by DOE/FE Order No. 1291 on July 25, 1997 (1 FE ¶ 71,434).

ORDER

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

A. El Paso Energy Marketing Company (EPEM) is authorized to import up to 200 billion cubic feet of natural gas from Mexico over a two-year term beginning on the date of first delivery after August 30, 1999. This natural gas may be imported at any United States/Mexico border point.

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

C. With respect to the natural gas imports authorized by this Order, EPEM shall file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made during that quarter. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, EPEM must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by State); (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. 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 August 31, 1999, until the end of the third calendar quarter, September 30, 1999.

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 & 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 August 27, 1999.

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