

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

EL PASO ENERGY MARKETING COMPANY)

FE DOCKET NO. 99-58-NG

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

DOE/FE ORDER NO. 1510

AUGUST 31, 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 (NGA)^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to export up to 200 Bcf of natural gas to Canada, and to export up to 200 Bcf of natural gas to Mexico. The authorization would be for a two-year term beginning on the date of first delivery after September 30, 1999.^{2/} EPEM is a Delaware corporation with its principal place of business in Houston, Texas, and a wholly-owned subsidiary of El Paso Energy Corporation. EPEM is a marketer and broker of natural gas to interstate pipelines, intrastate pipelines, local distribution companies and end-users. The proposed 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 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 EPEM to export natural gas to Canada and Mexico, nations with which free trade agreements are in

^{1/} 15 U.S.C. § 717b.

^{2/} This is the expiration date of EPEM's existing blanket export authorization granted by DOE/FE Order Nos. 1159, 1203, 1159-A, and 1159-B dated respectively April 16, 1996, (1 FE ¶ 71,250) October 4, 1996, (1 FE ¶ 71, 306) February 13, 1997, (1 FE ¶ 71,371) July 25, 1997, (1 FE ¶ 71,432).

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. El Paso Energy Marketing Company (EPEM) is authorized to export up to 200 Bcf of natural gas to Canada, and to export up to 200 Bcf of natural gas to Mexico, beginning on the date of first delivery after September 30, 1999.

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

C. 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 export of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas exports authorized by this Order, EPEM shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether 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 exports have occurred, EPEM 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); and (7) the point(s) of exit. [OMB No.: 1901-0294]

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 2000, and should cover the period from October 1, 1999, until the end of the fourth calendar quarter, December 31, 1999.

F. The notification and quarterly reports required by Ordering Paragraphs C and D 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 31, 1999.

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