

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PG&E TEXAS INDUSTRIAL ENERGY, L.P.)

FE DOCKET NO. 99-68-NG

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

DOE/FE ORDER NO. 1519

OCTOBER 8, 1999

I. DESCRIPTION OF REQUEST

On September 24, 1999, PG&E Texas Industrial Energy, L.P. (PG&E Texas) 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 import and export from and to Mexico up to a combined total of 300 billion cubic feet (Bcf) of natural gas over a two-year term beginning on November 1, 1999, and extending through October 31, 2001.^{2/} PG&E Texas, a Delaware limited partnership with its principal place of business in Texas, is engaged in the business of purchasing and importing and exporting natural gas from and to Mexico. PG&E Texas will import and export the natural gas under spot and short-term purchase arrangements on its own behalf and on the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by PG&E Texas 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 PG&E Texas to import and export natural gas from and 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

^{1/} 15 U.S.C. § 717b.

^{2/} PG&E Texas's blanket import/export authorization, granted by DOE/FE Order no. 1301 on September 30, 1997, (1 FE ¶ 71,455), expires on October 31, 1999.

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. PG&E Texas Industrial Energy, L.P. (PG&E Texas) is authorized to import and export from and to Mexico up to a combined total of 300 Bcf of natural gas over a two-year term beginning on November 1, 1999, and extending through October 31, 2001. This natural gas may be imported or exported at any point on the international border of the United States and Mexico.

B. With respect to the natural gas imports and exports authorized by this Order, PG&E Texas shall file with 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. 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, PG&E Texas must report the following: (1) total monthly 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 United States transporter(s); (7) the point(s) of entry or exit; (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. [OMB No.: 1901-0294]

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

D. The reporting requirements required by Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on October 8, 1999.

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