

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ENRON NORTH AMERICA CORP.)
(Formerly Enron Capital & Trade Resources Corp.))

FE DOCKET NO. 99-105-NG

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

DOE/FE ORDER NO. 1558

DECEMBER 23, 1999

I. DESCRIPTION OF REQUEST

On December 10, 1999, Enron North America Corp. (ENA)^{1/} filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{2/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import and export natural gas from and to Canada and Mexico.^{3/} ENA requests authority to import from Canada and Mexico a combined total of up to 700 Bcf annually of natural gas. In addition, ENA requests authority to export to Canada and Mexico a combined total of up to 700 Bcf annually of natural gas. The term of this authorization would be for two years beginning January 1, 2000, and extending through December 31, 2001. ENA, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Enron Corporation. ENA will import and export the natural gas under short-term and spot market arrangements for sale to ENA's markets throughout the United States and Mexico. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by ENA 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

^{1/} Formerly Enron Capital & Trade Resources Corporation.

^{2/} 15 U.S.C. § 717b.

^{3/} Currently, ENA is authorized to import up to 400 Bcf of natural gas from Mexico and to export up to 400 Bcf of natural gas to Mexico over a two-year term from January 1, 1998, through December 31, 1999. *See* DOE/FE Order No. 1322, issued October 27, 1997 (1 FE ¶ 71,476), as amended by DOE/FE Order No. 1322-A, issued November 26, 1999 (not yet published). In addition, ENA is authorized to import up to 1,000 Bcf of natural gas from Canada and to export up to 1,000 Bcf of natural gas to Canada over a two-year term from January 1, 1998, through December 31, 1999. *See* DOE/FE Order No. 1323 issued October 27, 1997(1 FE ¶ 71477), as amended by DOE/FE Order No. 1323-A, issued November 26, 1999 (not yet published). Due to a typographical error in Ordering paragraph A of both Order 1322 and 1323, the expiration dates mistakenly read December 31, 2000.

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 ENA to import and export natural gas from and to Canada and Mexico, nations with which free 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. Consistent with our treatment of similar blanket applications, including those filed previously by ENA, and to maximize flexibility, there will be no restriction on the annual volumes that may be imported and exported.

ORDER

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

A. Enron North America Corp. (ENA) is authorized to import up to a combined total of 1,400 Bcf of natural gas from Canada and Mexico. ENA is also authorized to export up to a combined total of 1,400 Bcf of natural gas to Canada and Mexico. The term of this authorization is for a period of two years beginning January 1, 2000, and extending through December 31, 2001. This natural gas may be imported and exported at any point on the border between the United States and each of these nations.

B. With respect to the natural gas imports and exports authorized by this Order, ENA shall file 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, ENA 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.

[OMB No.: 1901-0294]

C. With respect to the quarterly reports required by this Order, ENA shall file them with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

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

Issued in Washington, D.C., on December 23, 1999.

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