

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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WILLIAMS ENERGY MARKETING)	FE DOCKET NO. 00-09-NG
& TRADING COMPANY)	
(Formerly Williams Energy Services Company))	
_____)	

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

DOE/FE ORDER NO. 1570

FEBRUARY 24, 2000

I. DESCRIPTION OF REQUEST

On February 18, 2000, Williams Energy Marketing & Trading Company (WEM&T) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act^{1/} (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import and export up to a combined total of 400 billion cubic feet of natural gas from and to Mexico over a two-year term beginning on the date of first delivery after March 31, 2000.^{2/} WEM&T, a marketer of natural gas, is a Delaware corporation with its principal place of business in Tulsa, Oklahoma. WEM&T is an indirect wholly-owned subsidiary of Williams Merchant Services Company, Inc., which in turn is an indirect wholly-owned subsidiary of Williams Energy Services, which is a wholly-owned subsidiary of The Williams Company, Inc. The applicant intends to import and export the gas under short-term and spot transactions, either on its 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 WEM&T has been evaluated to determine if the proposed import/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

^{1/} 15 U.S.C. § 717b.

^{2/} March 31, 2000, is the expiration date of WEM&T's import/export authorization granted by DOE/FE Order No. 1372 on March 31, 1998 (1 FE ¶ 71,545).

WEM&T 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 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. Williams Energy Marketing & Trading Company (WEM&T) is authorized to import and export up to a combined total of 400 billion cubic feet of natural gas from and to Mexico over a two-year term beginning on the date of first import or export delivery after March 31, 2000, whichever occurs first. This natural gas may be imported and exported at any United States/Mexico border point.

B. Within two weeks after deliveries begin, WEM&T 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 occurred.

C. With respect to the natural gas imports and exports authorized by this Order, WEM&T 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. 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, WEM&T 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 United States 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]

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

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 February 24, 2000.

Donald A. Juckett
Director, Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy