

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ENER-SON OF U.S.A.)
_____)

FE DOCKET NOS. 00-19-LNG
98-66-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT NATURAL GAS, INCLUDING LIQUEFIED
NATURAL GAS, TO MEXICO, AND VACATING AUTHORIZATION

DOE/FE ORDER NO. 1595

MAY 18, 2000

I. DESCRIPTION OF REQUEST

On March 28, 2000, as supplemented on May 11, 2000, Ener-Son of U.S.A. (Ener-Son) 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 authorization to export up to an aggregate of 33 billion cubic feet (Bcf) of natural gas, including liquefied natural gas (LNG), over a two-year term beginning on the date of the first delivery. Ener-Son, a Nevada corporation with its principal place of business in Fair Oaks, California, is engaged in the business of the development of and sales to new industrial and commercial markets for natural gas in the northern states of Mexico and in Baja, California. The requested export authorization does not involve the construction of new pipeline or LNG facilities.

Additionally, Ener-Son requests that DOE/FE Order No. 1419 (Order 1419)^{2/}, its current blanket authorization, be vacated because it will be redundant when the requested authorization is issued. Order 1419 authorized Ener-Son to export up to 2.1 Bcf of LNG over a two-year term to Mexico. Since deliveries began on October 7, 1998, Order 1419 would expire on October 6, 2000.

II. FINDING

The application filed by Ener-Son 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 export of natural gas from a nation with which there is in effect a free trade agreement requiring national

1/ 15 U.S.C. § 717b.

2/ 2 FE ¶ 70,235.

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 Ener-Son to export natural gas, including LNG, 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. Ener-Son of U.S.A. (Ener-Son) is authorized to export up to an aggregate of 33 billion cubic feet of natural gas, including liquefied natural gas (LNG), to Mexico over a period of two years beginning on the date of first delivery. The authorized volumes may be exported at any point on the international border between the United States and Mexico.

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

C. With respect to the natural gas exports authorized by this Order, Ener-Son shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether exports have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Ener-Son must report monthly the following: (1) total 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); and (5) the point(s) of exit. [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 the date of this Order, through 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.

F. The authorization to export LNG pursuant to DOE/FE Order No. 1419 is hereby vacated.

Issued in Washington, D.C., on May 18, 2000.

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