

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CINERGY MARKETING & TRADING, LLC) FE DOCKET NO. 01-60-NG
_____)

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

DOE/FE ORDER NO. 1731

October 30, 2001

I. DESCRIPTION OF REQUEST

On October 15, 2001, Cinergy Marketing & Trading, LLC (CMT) 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 import and export up to a combined total of 365 Bcf of natural gas from and to Mexico beginning on November 1, 2001.^{2/} CMT, a Delaware limited liability company with its principal place of business in Houston, Texas, is an indirect subsidiary of Cinergy Corp. CMT will import and export the natural gas under competitive market conditions which are expected to prevail for the duration of the arrangement. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by CMT 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 CMT 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.

^{1/} 15 U.S.C. § 717b.

^{2/} CMT's current authorization granted in DOE/FE Order No. 1514 issued on September 14, 1999 (2 FE ¶ 70,378) expires October 31, 2001.

ORDER

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

A. Cinergy Marketing & Trading, LLC (CMT) is authorized to import and export up to a combined total of 365 Bcf of natural gas from and to Mexico over a two-year term beginning on November 1, 2001, and extending through October 31, 2003.

B. This natural gas may be imported or exported at any point on the border between the United States and Mexico.

C. Within two weeks after deliveries begin, CMT 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 has occurred.

D. With respect to the natural gas imports and exports authorized by this Order, CMT 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, CMT 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]

E. The notification and the reporting requirements described in 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.

F. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 2002, and should cover the period from November 1, 2001, until the end of the fourth calendar quarter, December 31, 2001.

Issued in Washington, D.C., on October 30, 2001.

Thomas W. Dukes
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy