

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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ENERGIA DE BAJA CALIFORNIA, S. DE R.L. DE C.V.) FE DOCKET NO. 02-29-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO

DOE/FE ORDER NO. 1775

MAY 10, 2002

I. DESCRIPTION OF REQUEST

On May 1, 2002, Energia de Baja California, S. de R.L. de C.V. (EBC) 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, requesting blanket authorization to export to Mexico a combined total of up to 59,000 Mcf each day of natural gas. The term of the authorization would be for a period of two years beginning on the date of first export delivery. EBC, a Mexican *sociedad de responsabilidad limitado de capital variable*, has its principal place of business in Colonia de Bosques de Chapultepec, Mexico and is a wholly-owned subsidiary of InterGen International, B.V. EBC will be engaged in the business of generating electrical energy in EBC's approximately 310 megawatt power plant. EBC requests authority to export this gas under spot and short-term sales arrangements. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by EBC 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 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 EBC to export natural gas 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.

ORDER

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

A. Energia de Baja California, S. de R.L. de C.V. (EBC) is authorized to export to Mexico a combined total of up to 59,000 Mcf of natural gas each day to Mexico over a two-year term, beginning on the date of the first export delivery. This natural gas may be exported at any point along the international United States/Mexico border.

B. Within two weeks after deliveries begin, EBC shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, of the date that the first export delivery of natural gas authorized in Ordering Paragraph A has occurred.

C. With respect to the natural gas exports authorized by this Order, EBC shall file, within 30 days following each calendar quarter, reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, EBC 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 exit. [OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 2002, and should cover the period from the date of this Order, until the end of the second calendar quarter June 30, 2002.

D. 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 May 10, 2002.

Yvonne Caudillo
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy