

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TRANSALTA CHIHUAHUA S.A.DE C.V.)
_____)

FE DOCKET NO. 03-08-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS
TO MEXICO

DOE/FE ORDER NO. 1855

MARCH 3, 2003

I. DESCRIPTION OF REQUEST

On February 24, 2003, TransAlta Chihuahua S.A. de C.V. (TAC) 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/}, for blanket authorization to export up to 36.135 Bcf of natural gas to Mexico, over a two-year term beginning on March 4, 2002. TAC is a Mexican corporation with its principal place of business in Lomas de Chapultepec Mexico City, Mexico. TAC is owned by TransAlta Corporation whose principal place of business is in Calgary, Alberta, Canada. TAC plans to export the natural gas under short-term and spot market arrangements on its own behalf as fuel for its natural gas-fired generation business in Northern Mexico.

II. FINDING

The application filed by TAC 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 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 TAC 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. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.4 (January 8, 2002).

ORDER

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

A TransAlta Chihuahua S.A. de C.V. (TAC) is authorized to export up to 36.135 Bcf of natural gas to Mexico over a two-year term beginning on March 4, 2003, and extending through March 3, 2005.

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

C. With respect to the natural gas exports authorized by this Order, TAC shall file with the Office of Natural Gas & Petroleum Import & Export Activities, 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, TAC 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); and (7) the point(s) of exit.

D. The first quarterly report required by this Order is due not later than April 30, 2003, and should cover the period from March 4, 2003, until the end of the first calendar quarter, March 31, 2003.

E. The quarterly reports required by 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 March 3, 2003.

Clifford P. Tomaszewski
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