

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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SEMPRA ENERGY TRADING CORP. )  
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FE DOCKET NO. 03-11-NG

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

DOE/FE ORDER NO. 1860

MARCH 27, 2003

## I. DESCRIPTION OF REQUEST

On March 17, 2003, Sempra Energy Trading Corp. (Sempra) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act<sup>1/</sup> (NGA), requesting authority to import and export up to a combined total of 300 billion cubic feet (Bcf) of natural gas from and to Canada, and to import and export up to a combined total of 300 Bcf of natural gas from and to Mexico, and to import up to 300 Bcf of liquefied natural gas (LNG) from various international sources. The term of this authorization is for a two-year period beginning on June 16, 2003, and extending through June 15, 2005.<sup>2/</sup> Sempra, a Delaware corporation with its principal place of business in Stamford, Connecticut, is engaged in the business of dealing and trading in commodities, including, but not limited to, natural gas. Sempra will import and export the natural gas and LNG under short-term and spot market transactions, on its own behalf and as an agent for others. The requested authorization does not involve the construction of new pipeline or receiving facilities.

## II. FINDING

The application filed by Sempra 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 and the importation of LNG from an international source not subject to trading sanctions, are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Sempra to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, and the importation of LNG from various international sources, 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.

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<sup>1/</sup> 15 U.S.C. § 717b. The authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

<sup>2/</sup> Sempra's current blanket authorization to import and export natural gas and the import of LNG granted by DOE/FE Order No. 1795 dated July 2, 2002 (2 FE ¶ 70,762) expires June 15, 2003.

ORDER

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

A. Sempra Energy Trading Corp. (Sempra) is authorized to import and export up to a combined total of 300 billion cubic feet (Bcf) of natural gas from and to Canada, and to import and export up to a combined total of 300 Bcf of natural gas from and to Mexico, and to import up to 300 Bcf of LNG from various international sources. The term of this authorization is for a two-year period beginning June 16, 2003, and extending through June 15, 2005.

B. This natural gas may be imported and exported at any point on the borders between the United States and Canada, and between the United States and Mexico.

C. The LNG may be imported at any existing receiving facilities in the United States or its territories.

D. With respect to the natural gas imports and exports authorized by this Order, Sempra 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 and LNG have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Sempra 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 of natural gas and LNG transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price; (3) the name(s) of the LNG tankers used; and (4) the country of origin. [OMB No.: 1901-0294]

E. The quarterly reports required by Ordering Paragraph 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 July 31, 2003, and should cover the period from June 16, 2003, until the end of the second calendar quarter, June 30, 2003.

Issued in Washington, D.C., on March 27, 2003.

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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy