

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

DISTRIBUIDORA DE GAS NATURAL)
DE MEXICALI) DOCKET NO. 03-35-NG
)

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

DOE/FE ORDER NO. 1881

JULY 29, 2003

I. DESCRIPTION OF REQUEST

On July 23, 2003, Distribuidora de Gas Natural de Mexicali (DGN) 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 import up to 19 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 19 Bcf of natural gas to Mexico. The applicant requests the authorization be granted for a two-year term beginning on July 31, 2003.^{2/} DGN is a limited liability partnership incorporated in Mexicali, Baja California, Mexico. The applicant will import and export the gas on its own behalf or as the agent for others under short-term purchase arrangements negotiated in response to market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application 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 and export of natural gas from and to nations with which there are in effect free trade agreements requiring national treatment for trade in natural gas are deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by DGN to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This 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 Redefinition Order No. 00-002.4 (January 8, 2002).

^{2/} The current blanket authorization to DGN, granted by DOE/FE Order No. 1759 dated March 13, 2002, (2 FE ¶ 70,722), expires on July 30, 2003.

ORDER

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

A. Distribuidora de Gas Natural de Mexicali (DGN) is authorized to import up to 19 billion cubic feet (Bcf) of natural gas from Canada, and to export up to 19 Bcf of natural gas to Mexico. The term of the authority will begin on July 31, 2003, and extend through July 30, 2005.

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

C. With respect to the natural gas imports and exports authorized by this Order, DGN shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports and exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and exports have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (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 entry and exit; (8) the geographic market(s) served (for imports, by State); and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

[OMB No.: 1901-0294]

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

E. The quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on July 29, 2003.

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