

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

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PEMEX GAS Y PETROQUIMICA BASICA) FE DOCKET NO. 04-120-NG
_____)

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

DOE/FE ORDER NO. 2049

NOVEMBER 23, 2004

I. DESCRIPTION OF REQUEST

On November 23, 2004, PEMEX Gas y Petroquímica Básica (PGPB) 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 and export up to a combined total of 1,300 billion cubic feet of natural gas from and to Canada and Mexico. The natural gas imports may include liquefied natural gas (LNG). The applicant requests the authorization be granted for a two-year term beginning November 24, 2004. PGPB is a decentralized public entity of the federal government of Mexico.

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 is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by PGPB 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 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. 00-002.04 (January 8, 2002).

ORDER

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

A. PEMEX Gas y Petroquimica Basica is authorized to import and export up to a combined total of 1,300 billion cubic feet of natural gas from and to Canada and Mexico. The natural gas imports may include liquefied natural gas (LNG). The term of the authority will begin on November 24, 2004, and extend through November 23, 2006.

B. This natural gas and LNG 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. With respect to the imports and exports authorized by this Order, PGPB shall file with the Office of Natural Gas Regulatory 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 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 by country:

(1) the total monthly volumes in thousand cubic feet (Mcf); (2) 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); (9) the name(s) of the LNG tanker or the number of truck(s) used; (10) the average landed cost per MMBtu of LNG at the point of import; and if applicable, (12) 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 January 30, 2005, and should cover the period from November 24, 2004, until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports required by this Order shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on November 23, 2004.



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Natural Oil and Gas Global Security and Supply
Office of Fossil Energy