

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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TERMOELECTRIA DE MEXICALI, S. DE R.L. DE C.V.)
_____)

DOCKET NO. 04-128-NG

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

DOE/FE ORDER NO. 2058

DECEMBER 21, 2004

I. DESCRIPTION OF REQUEST

On December 7, 2004, Termoelectrica de Mexicali, S. de R.L. de C.V. (Termoelectrica) 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 300 billion cubic feet (Bcf) of natural gas from and to Mexico. The applicant requests the authorization be granted for a two-year term beginning on the date of this Order.

Termoelectrica is a California corporation with its principal place of business in Baja California Norte, Mexico.

II. FINDING

The application has been evaluated to determine if the proposed 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 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 Termoelectrica to import and export natural gas from and 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 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 Redelegation Order No. 00-002.04 (January 8, 2002).

ORDER

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

A. Termoelectrica de Mexicali, S. de R.L. de C.V. (Termoelectrica) is authorized to import and export up to 300 billion cubic feet (Bcf) of natural gas from and to Mexico. The two-year term of the authority begins on the date of this Order

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

C. With respect to the natural gas imports and exports authorized by this Order, Termoelectrica shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and/or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or 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; and, if applicable, (10) 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 the date of this Order, until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports 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 December 21, 2004.



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