

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

NATURGY SERVICIOS, S.A. DE C.V.)
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DOCKET NO. 22-153-NG
DOCKET NO. 22-115-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO EXPORT NATURAL GAS TO MEXICO AND
VACATING PRIOR AUTHORIZATION

DOE/FECM ORDER NOS. 4955 AND 4904-A

JANUARY 31, 2023

I. DESCRIPTION OF REQUEST

On November 29, 2022, Naturgy Servicios, S.A. de C.V. (Naturgy Servicios) filed an application (Application)¹ with the Department of Energy’s (DOE) Office of Fossil Energy and Carbon Management (formerly the Office of Fossil Energy)² under section 3 of the Natural Gas Act (NGA).³ Naturgy Servicios requests long-term authorization to export natural gas to Mexico by pipeline in a volume of 91.25 billion cubic feet (Bcf) per year (Bcf/yr) of natural gas, for an 11-year term beginning June 1, 2023, and extending through May 31, 2034.⁴ Naturgy Servicios seeks this authorization on its own behalf and as agent for affiliates who hold title to the natural gas at the time of export.⁵

Naturgy Servicios is a Mexico *sociedad anónima de capital variable*, which it describes as “similar in corporate form to a privately held stock corporation.”⁶ Naturgy Servicios states that its principal place of business is in Mexico City, Mexico.⁷

According to Naturgy Servicios, the natural gas it intends to export would be sourced from production areas in Texas.⁸ Naturgy Servicios states that it intends to enter into one or more supply agreements with natural gas producers for a “significant part” of the volume it seeks to export.⁹ Naturgy Servicios states that it “may also supply a substantial part of [its] exports through short-term agreements and spot market purchases.”¹⁰

¹ Naturgy Servicios, S.A. de C.V., Application of Naturgy Servicios, S.A. de C.V. for Long-Term Authorization to Export Natural Gas to Mexico from the United States, Docket No. 22-153-NG (Nov. 29, 2022) [hereinafter App.].

² The Office of Fossil Energy changed its name to the Office of Fossil Energy and Carbon Management (FECM) on July 4, 2021.

³ 15 U.S.C. § 717b. The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2022, issued on June 13, 2022.

⁴ App. at 1.

⁵ *Id.* at 5.

⁶ *Id.* at 2 & n.6.

⁷ *Id.* at 2.

⁸ *Id.* at 4.

⁹ *Id.*

¹⁰ App. at 4.

Naturgy Servicios further represents that it has “entered into 12-year transportation service agreements . . . for firm capacity on the Nueva Era pipeline system,” and that volumes exported pursuant to the agreements would cross the U.S.-Mexico border at a single point of export located along the international border between the United States in Webb County, Texas, and Mexico in the vicinity of Colombia, State of Nuevo León.¹¹

Naturgy Servicios states that it will comply with all applicable DOE requirements for both exporters and their agents.¹²

Concurrently with its request for long-term export authorization, Naturgy Servicios requests vacatur of its existing order, DOE/FECM Order No. 4904 (Docket No. 22-115-NG), which authorizes it to export up to 182.5 Bcf of natural gas to Mexico by pipeline for a two-year term that began on November 2, 2022.¹³ Naturgy Servicios requests that the vacatur take effect on the same date that its requested long-term authorization becomes effective.¹⁴

II. FINDINGS

Section 3(c) of the NGA¹⁵ was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications authorizing (a) the import and export of natural gas, including liquefied natural gas (LNG), from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, and (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. The authorization sought by Naturgy Servicios to export natural gas to Mexico, a nation with which a free trade agreement requiring national treatment for trade

¹¹ *Id.* at 3. DOE notes that, as the 12-year transportation service agreements have a service commencement date of June 1, 2022, the agreements would extend through May 31, 2024, matching the length of the requested export authorization. *See id.* at Appendix C (public summaries of transportation service agreements).

¹² *Id.* at 5.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ 15 U.S.C. § 717b(c).

in natural gas is in effect, falls within section 3(c) of the NGA. Therefore, DOE is charged with granting the requested authorization without modification or delay.

ORDER

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

A. Naturgy Servicios, S.A. de C.V. (Naturgy Servicios) is authorized to export up to 91.25 Bcf/yr of natural gas to Mexico. This authorization shall be effective for a term beginning on June 1, 2023, and extending through May 31, 2034.

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

C. Monthly Reports: With respect to the natural gas exports authorized by this Order, Naturgy Servicios shall file with the U.S. Department of Energy (FE-34), Office of Fossil Energy and Carbon Management, Office of Regulation, Analysis, and Engagement, within 30 days following the last day of each calendar month, a report on Form FE-746R indicating whether exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of “no activity” for that month must be filed. If exports have occurred, the report must provide the information specified for each applicable activity, as set forth in the Guidelines for Filing Monthly Reports. These Guidelines are available at <https://www.energy.gov/fecm/guidelines-filing-monthly-reports>.

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

D. The first monthly report required by this Order is due not later than July 30, 2023, and should cover the reporting period from June 1, 2023, through June 30, 2023.

E. All monthly report filings on Form FE-746R shall be made to the Office of Regulation, Analysis, and Engagement according to the methods of submission listed on the Form FE-746R reporting instructions available at <https://www.energy.gov/fecm/regulation>.

F. Naturgy Servicios' authorization to export natural gas to Mexico by pipeline, granted in DOE/FECM Order No. 4904 on October 31, 2022, is vacated effective June 1, 2023.

Issued in Washington, D.C., on January 31, 2023.

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