

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PEMEX TRANSFORMACION INDUSTRIAL

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DOCKET NO. 15-174-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO,  
AND TO IMPORT LIQUEFIED NATURAL GAS FROM  
VARIOUS INTERNATIONAL SOURCES BY VESSEL,  
AND VACATING PRIOR AUTHORIZATION

DOE/FE ORDER NO. 3762

DECEMBER 30, 2015

## I. DESCRIPTION OF REQUEST

On November 16, 2015, Pemex Transformacion Industrial (Pemex) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>1</sup> for blanket authorization to import and export natural gas from and to Canada and Mexico, and to import liquefied natural gas (LNG) from various international sources by vessel, up to a combined total volume equivalent to 2,920 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on November 1, 2015. Pemex is a Mexican corporation with its principal place of business in Colonia Petroleos Mexicanos, Mexico.

Previously, on October 9, 2014, Pemex's predecessor in interest, Pemex Gas Y Petroquimica Basica, was granted authorization in DOE/FE Order No. 3519 to import and export natural gas from and to Canada and Mexico, and to import LNG from various international sources by vessel, for a two-year term beginning on November 24, 2014, and extending through November 23, 2016. On November 16, 2015, Pemex (the applicant in this proceeding) notified DOE that, due to a corporate reorganization of parent company Petroleos Mexicanos, Pemex Gas y Petroquimica Basica was dissolved and folded into Pemex Transformacion Industrial as of November 1, 2015. Therefore, contemporaneous with the issuance of this authorization, Pemex requests that DOE/FE vacate Order No. 3519 retroactively, effective on November 1, 2015.

## II. FINDING

The application has been evaluated to determine if the proposed import and/or export arrangement meets the public interest requirement of section 3 of the NGA, as amended by

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<sup>1</sup> The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-006.02 issued on November 17, 2014.

section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including 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 the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports and exports must be granted without modification or delay. The authorization sought by Pemex to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements are in effect, and to import LNG from various international sources by vessel, 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.

#### ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Pemex is authorized to import and export natural gas from and to Canada and Mexico, and to import LNG from various international sources by vessel, up to a combined total volume equivalent to 2,920 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term which began on November 1, 2015, and extends through October 31, 2017.

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

C. This LNG may be imported at any LNG receiving facility in the United States and its territories.

D. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the



satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

E. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, Pemex shall file with the Office of Regulation and International Engagement, within 30 days following the last day of each calendar month, a report indicating whether imports or 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 imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

If imports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

(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 February 29, 2015, and should cover the reporting periods from November 1, 2015, through December 31, 2015.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Division of Natural Gas Regulation, Office of Regulation and International Engagement, Office of Fossil Energy, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Natural Gas Reports (202) 586-6050.

F. Pemex Gas Y Petroquimica Basica's blanket authorization to import and export natural gas from and to Canada and Mexico, and to import LNG from various international sources by vessel, which was granted in DOE/FE Order No. 3519, is hereby vacated, effective November 1, 2015.

Issued in Washington, D.C., on December 30, 2015.



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Director, Office of Regulation and International Engagement  
Office of Oil and Natural Gas