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THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

NICOLAS A. MCTYRE
DIRECT DIAL: (512) 469-6146
EMAIL: nicolas.mctyre@tklaw.com

98 SAN JACINTO BOULEVARD • SUITE 1900
AUSTIN, TEXAS 78701
512.469.6100
FAX 512.469.6180
www.tklaw.com

AUSTIN
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October 23, 2020

Ms. Amy R. Sweeney
Mr. Benjamin Nussdorf
Division of Natural Gas Regulation
Office of Fossil Energy (FE-34)
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Request to Amend Long-Term Authorization to Export Natural Gas – Order 4227

Dear Ms. Sweeney and Mr. Nussdorf:

On August 8, 2018, the Office of Fossil Energy (“FE”) of the Department of Energy (“DOE”) issued Order No. 4227 (the “Order”) pursuant to section 3 of the Natural Gas Act (“NGA”) ¹ and applicable DOE/FE regulations. ² The Order granted COPEQ Trading Co. (“COPEQ”), a Texas corporation, long-term authority to export natural gas to Mexico, in the amount of up to 24.78 billion cubic feet (“Bcf”) per year (“Bcf/yr”). This authorization commenced on July 1, 2018 and was made effective for a ten-year term. By this letter, COPEQ requests that, effective January 1, 2021, the DOE/FE amend Order No. 4227 reflecting an increased export authorization of 7.19 Bcf/yr (for a total export authorization of 31.97 Bcf/yr) and an extended authorization term ending on January 1, 2031.

I. Request for Increased and Extended Export Authorization

COPEQ expects to increase its natural gas purchases in the United States by approximately 19,709 Mcf/day (equal to 7.19 Bcf/yr), which will be procured under short-term supply agreements and in the spot market. ³ This natural gas will be transported to the international border with Mexico under a gas transportation agreement with Kinder Morgan Pipelines, dated May 27, 2020, and having an initial term of ten years (the “New KM GTA”). ⁴

¹ 15 U.S.C. §717b.

² 10 C.F.R. §§ 590.201 *et seq.*

³ The DOE/FE has consistently found it acceptable for long-term authorization holders to procure export volumes under short-term supply agreements, or in the spot market. *See, e.g., Venture Global LNG, LLC*, DOE/FE Docket No. 13-69-LNG, Order No. 3345 at 5- 6 (Sept. 27, 2013); *e.g., Sabine Pass Liquefaction, LLC*, DOE/FE Docket No. 13-42-LNG, Order No. 3307 at 5 (Jul. 12, 2013).

⁴ The New KM GTA contemplates service on an intrastate pipeline network, with collective capacity of approximately 5 Bcf/d, operated by affiliates of Kinder Morgan Inc., including: Kinder Morgan Texas Pipeline, LLC; Kinder Morgan Tejas Pipeline, LLC; and Kinder Morgan Border Pipeline, LLC, collectively, the “Kinder

Under the New KM GTA, COPEQ has the right to transport up to 19,709 Mcf/day of gas from receipt points within Texas to various delivery points on the international border between the United States and Mexico. While the New KM GTA is effective May 27, 2020, service is expected to commence on January 1, 2021.

After including the 19,709 Mcf/day increase in export volumes, COPEQ expects to export a total of 31.97 Bcf/yr to Mexico (reflecting the originally-authorized volume of 24.78 Bcf/yr plus 7.19 Bcf/yr for new volumes). As a result of this increase and the 2021 expected commencement date of the New KM GTA, COPEQ requests that Order No. 4227 be amended, effective January 1, 2021, to reflect the following: (i) a 7.19 Bcf/yr increase in authorized export volumes for a total of 31.97 Bcf/yr and (ii) an extended export authorization term ending on January 1, 2031 (which is ten years following the service commencement date of the New KM GTA). Except for those specifically referenced in this letter, all conditions and material facts from COPEQ's July 19, 2018 application remain unchanged.

II. *Natural Gas Act – Public Interest Standard*

Under Section 3(c) of the Natural Gas Act,⁵ as amended by section 201 of Energy Policy Act of 1992,⁶ exporting natural gas to countries where the United States has an effective free trade agreement (requiring national treatment for trade in natural gas) is deemed to be in the public interest. The United States has in effect a free trade agreement with Mexico requiring national treatment in trade for natural gas, and therefore, COPEQ submits that its requests made hereunder are consistent with public interest.

III. *Request for Confidential Treatment*

A copy of the New KM GTA is enclosed with this letter. Consistent with applicable law,⁷ COPEQ requests that this contract be afforded confidential treatment because it contains COPEQ's highly confidential commercial information that is normally held confidential, and which, if disclosed, would cause COPEQ substantial competitive harm.

IV. *Administrative Compliance*

A paper copy of this letter, along with a confidential copy of the New KM GTA, have been mailed to the DOE/FE. The required \$50 processing fee has been submitted to the DOE/FE by electronic payment.

Morgan Pipelines.” COPEQ is a party to a May 30, 2018 gas transportation agreement with the Kinder Morgan Pipelines, which supports the original export volume authorized in DOE/FE Order No. 4227.

⁵ 15 U.S.C. §717b.

⁶ Energy Policy Act of 1992, Pub. L. No. 102-486, Oct. 24, 1992, 106 Stat. 2776.

⁷ See 10 CFR § 1004.11; see also 10 C.F.R. § 590.202 (noting confidentiality treatment for applications for authorization to import or export natural gas).

If you have any questions regarding this letter, please contact the undersigned at 512-469-6146.

Respectfully submitted,

/s/Nicolas A. McTyre

Nicolas A. McTyre

James Zhu

Thompson & Knight LLP

98 San Jacinto Blvd., Ste. 1900

Austin, Texas 78701

512-469-6146 (office)

512.469.6180 (fax)

Counsel for COPEQ Trading Co.

Enclosures:

Legal Opinion of Counsel for COPEQ Trading Co.

Verification

Confidential Gas Transportation Agreement

Proof of Electronic Payment (of \$50 Processing Fee)

**LEGAL OPINION OF COUNSEL
FOR COPEQ TRADING CO.**

THOMPSON & KNIGHT LLP

ATTORNEYS AND COUNSELORS

NICK MCTYRE
DIRECT DIAL: 512.469.6146
EMAIL: nicolas.mctyre@tklaw.com

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Ms. Amy R. Sweeney
Mr. Benjamin Nussdorf
Division of Natural Gas Regulation
Office of Fossil Energy (FE-34)
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Request to Amend Long-Term Authorization to Export Natural Gas – Order 4227

Dear Ms. Sweeney and Mr. Nussdorf:

This opinion is provided pursuant to Section 590.22(c) of Department of Energy Regulations, 10 C.F.R. § 590.202(c) (2014), in support of the October 23, 2020 Request of COPEQ Trading Co. (“COPEQ”) to Amend its Long-Term Authorization to Export Natural Gas under DOE/FE Order No. 4227 (the “Amendment Request”).

I am counsel for COPEQ, a corporation organized under the law of Texas. I have reviewed and relied upon the corporate documents of COPEQ, and it is my opinion that the proposed exports described in the Amendment Request are within COPEQ’s corporate powers.

Very truly yours,

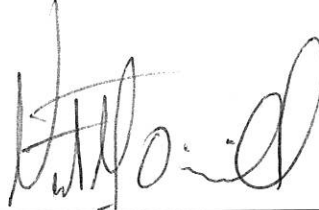
/s/Nicolas A. McTyre
Nicolas A. McTyre
Thompson & Knight LLP

Counsel to COPEQ Trading Co.

VERIFICATION


VERIFICATION

I, Victor Antonio Yrizar O'Farrill, being first duly sworn, state that I am a duly authorized representative of COPEQ Trading Co.; I have read the above Application and I am familiar with its contents; and the matters set forth in the Application are true and correct to the best of my knowledge, information, and belief.

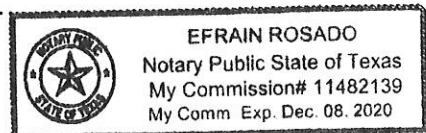


Victor A O'Farrill
On behalf of
COPEQ Trading Co.

Subscribed and sworn to before me this 21 day of October 2020.



Notary Public



My Commission expires: Dec. 08. 2020

**CONFIDENTIAL GAS TRANSPORTATION AGREEMENT
BETWEEN COPEQ TRADING CO. AND
KINDER MORGAN PIPELINES**

SUBMITTED UNDER SEAL PURSUANT TO 10 C.F.R. § 590.202(e)

PROOF OF ELECTRONIC PAYMENT

Balli, Kellie

From: notification@pay.gov
Sent: Friday, October 23, 2020 8:51 AM
To: Balli, Kellie
Subject: Pay.gov Payment Confirmation: DOE General Collections Form



An official email of the United States government



Your payment has been submitted to Pay.gov and the details are below. If you have any questions regarding this payment, please contact Carol Fuster at (301) 903-0534 or carol.fuster@hq.doe.gov.

Application Name: DOE General Collections Form
Pay.gov Tracking ID: 26Q94GUR
Agency Tracking ID: 76044050563
Transaction Type: Sale
Transaction Date: 10/23/2020 09:51:19 AM EDT
Account Holder Name: Kelyn Balli
Transaction Amount: \$50.00
Card Type: AmericanExpress
Card Number: *****1002

Payment Type : Other
Bill Number:
PO Number :
WFO Number:
Other : Filing fee for COPEQ Request to Amend DOE_FE Order No. 4227
Comments: Filing fee for COPEQ Request to Amend DOE_FE Order No. 4227

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