**From:** Meney de la Peza Gandara [mailto:mdelapeza@cre.gob.mx]
**Sent:** Thursday, February 23, 2017 12:54 PM
**To:** Elizabeth Mallett
**Cc:** Jonathan Booe , Emilio Pena
**Subject:** RE: Draft BP Proposal for NAESB Mexican Addendum

Elizabeth,

From CRE’s staff point of view, several positive aspects can be identified from a NAESB contract addendum for the Mexican Market:

* Short term:
	+ Helps to establish a standardized market coordination agreement that provides certainty to stakeholders involved:
		- Provides flexibility and clarity regarding what parties involved in the transaction may expect.
		- Reduces learning curves and transaction costs, as the NAESB contract is the industry standard in U.S. and several Mexican entities use customized versions of the contract to transact.
	+ Offers a bridge for a deeper natural gas market integration within the U.S. and Mexico. This is particularly important as Mexico is undergoing a process to have by 2019 more than 6 bcfd of additional import capacity from the U.S.
	+ Benefits Mexican stakeholders who are new to this market as comparisons among offers from services providers may be easier to perform.
* Long term:
	+ Helps to set-up the base for contractual framework standardization between Mexican and U.S. entities:
		- Eases cross-border transactions.
		- Increases liquidity and deepness of import/export market.

We hope this issue can move forward as part of NAESB annual plan.

Regards,

Meney