

10-4-1995

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### Recommended Citation

LADB Staff. "Mexican-U.S. Partnerships to Supply Natural Gas to Baja California." (1995). <https://digitalrepository.unm.edu/sourcemex/3509>

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## **Mexican-U.S. Partnerships to Supply Natural Gas to Baja California**

*by LADB Staff*

*Category/Department: Mexico*

*Published: 1995-10-04*

Two US-based companies and a Mexican firm have formed a partnership, dubbed Natural Gas Distribution Co., to supply gas to northern areas of Baja California state. The three partners in the venture San Diego Gas & Electric, Southern California Gas Co., and the Mexican holding company Proxima are expected to initially invest US\$75 million to build the first natural gas pipeline in the region. Under the plan, Natural Gas Distribution Co. would initially supply Mexicali, and later extend service to Tijuana.

According to local business leaders, the availability of natural gas supplies will help promote growth in the region, which is beginning to attract an increasing number of manufacturing and assembly plants. Until now, industrial and domestic users have had to rely on propane to meet their heating and energy needs. Some industrial users have also had access to geothermal energy.

On a related matter, statistics released by the state-run oil company Pemex in late September show Mexico has increased its production capacity to 4 billion cubic feet per day. According to Pemex, this output is 11% higher, or about 400 million cubic feet per day more, than at the end of 1994. (Sources: El Financiero International, 09/25/95, 10/02/95; Associated Press, 09/26/95; Agence France-Presse, 09/24/95)

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