

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
THE MONTANA POWER COMPANY) FE DOCKET NO. 92-139-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 751

DECEMBER 16, 1992

I. DESCRIPTION OF REQUEST _____

On November 6, 1992, The Montana Power Company (MPC) filed an application, under section 3 of the Natural Gas Act (NGA), with the Office of Fossil Energy of the Department of Energy (DOE) for authorization to extend its current import authorization issued in DOE/FE Opinion and Order No. 475, which expires February 6, 1993 (See 1 FE 70,409). The extension will allow MPC to import up to 10 Bcf of natural gas from Canada over a two-year term beginning on the date of first delivery after February 6, 1993. MPC, a Montana corporation with its principal place of business in Butte, Montana, is a combination electric and natural gas utility.

II. FINDING _____

The application filed by MPC has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the importation of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by MPC to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest.

ORDER

For reasons set forth above, pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. The Montana Power Company (MPC) is authorized to import from Canada, at any point on the U.S./Canada border, up to 10 Bcf of natural gas over a two-year term beginning on the date of first delivery after February 6, 1993.

B. Within two weeks after deliveries begin, MPC shall notify the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, MPC shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, MPC must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an

interruptible or firm basis; and if applicable, (8) the contract pricing provisions, including the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1993, and should cover the period from February 7, 1993, until the end of the first calendar quarter, March 31, 1993.

Issued in Washington, D.C., on December 16, 1992.

Charles F. Vacek
Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy