

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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PEOPLES NATURAL GAS COMPANY, ) FE DOCKET NO. 93-70-NG  
DIVISION OF UTILICORP UNITED INC. )  
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ORDER AMENDING LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 707-A

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AUGUST 10, 1993

I. DESCRIPTION OF REQUEST

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On July 9, 1993, as supplemented July 13 and August 3, 1993, Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples) 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>, requesting amendments to its

natural gas import authorization previously granted on November 12, 1992, in DOE/FE Opinion and Order No. 707 (Order 707).<sup>2/</sup> Order 707 permits Peoples to import from Western Gas

Marketing Limited (WGML) at Noyes, Minnesota, up to 6,000 Mcf of Canadian gas per day on a firm basis and up to 25,000 Mcf of gas per day on an interruptible basis through November 1, 1995. In this application, Peoples seeks to increase the authorized firm volumes by an additional 3,000 Mcf per day and to extend the import term for all volumes by an additional two years, through October 31, 1997.

Peoples is a local distribution company serving customers in Iowa, Minnesota, Nebraska, Colorado, Kansas, Michigan, South Dakota, Oklahoma, and Texas. In November 1992, Viking Gas Transmission Company (Viking), a supplier of gas to Peoples, converted to a "transportation-only" pipeline. Peoples then found it necessary to contract for supplies of gas needed to serve its franchise communities located on that pipeline. Thus, Peoples negotiated an amendment to its gas purchase agreement

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1/ 15 U.S.C. Sec. 717b.

2/ 1 FE Para. 70,664.

with WGML to serve its Viking customers. Under the amendment, which was effective November 1, 1992, Peoples contracted to purchase an additional 3,127 Mcf of firm gas per day through October 31, 1997. To the present date, this gas has been imported by Peoples under its blanket authorization granted by DOE/FE Order No. 710 which took effect November 13, 1992, and ends November 12, 1994.<sup>3/</sup> The commodity charge in the two-part contract price that Peoples pays WGML currently is \$1.55 (U.S.) per MMBtu.

## II. FINDING

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The application filed by Peoples has been evaluated to determine if this proposal to modify and extend the import authority previously granted in Order 707 meets the public interest requirement 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 the United States has 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. Approving an increase in the authorized firm volumes of gas imported by Peoples from Canada, a nation with which a free trade agreement is in effect, and extending the duration of its import authority for an additional two years beyond November 1, 1995, meets the section 3(c) criterion and, therefore, is consistent with the public interest.

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3/ 1 FE Para. 70,667 (November 13, 1993).

## ORDER

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Pursuant to section 3 of the Natural Gas Act, DOE/FE Order No. 707 (Order 707) issued November 12, 1992, is amended to authorize Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples), to import a total of up to 9,000 Mcf of natural gas per day from Canada on a firm basis beginning on the date of this order and continuing through October 31, 1997, consistent with the provisions of its gas purchase contract with Western Gas Marketing Limited dated November 1, 1990, as amended November 1, 1992. In addition, the termination date for Peoples to import up to 25,000 Mcf of gas per day from WGML on an interruptible basis, previously authorized in Order 707, is hereby extended through October 31, 1997. In all other respects the earlier order shall remain in full force and effect.

Issued in Washington, D.C., on August 10, 1993.

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Anthony J. Como  
Acting Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy