

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
PORTAL MUNICIPAL GAS)
_____)

DOCKET NO. 93-09-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 780

MARCH 5, 1993

I. BACKGROUND

On January 29, 1993, Portal Municipal Gas (PMG), as agent for the City of Portal, North Dakota (Portal), filed an application with the Office of Fossil Energy of the Department of Energy (DOE) under section 3 of the Natural Gas Act (15 U.S.C. 717b) for authorization to import up to 65,000 cubic meters (approximately 2,295 Mcf) per day of natural gas from Canada over a period of twenty years. PMG, which is currently operating a municipal propane system, will be converting the existing system to natural gas to more efficiently meet the needs of its residential and commercial customers.

Portal will purchase the gas from SaskEnergy Incorporated (SaskEnergy) under a gas purchase contract dated September 1, 1992, the term of which extends for a period of 20 years, until September 1, 2012. In order to import the proposed volumes, PMG will construct approximately 2,400 feet of pipeline to connect with SaskEnergy's facilities at the U.S./Canada border at Portal, North Dakota. The contract specifies a fixed commodity price of \$.07 (U.S.) per cubic meter (approximately \$2.47 per MMBtu), in addition to a Basic Monthly Charge of \$135.00 (U.S.) for gas delivered to the U.S./Canada border.

III. FINDING

The application filed by PMG 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 PMG to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is 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. Portal Municipal Gas (PMG) is authorized to import up to 2,295 Mcf per day of natural gas from Canada over a period of twenty years beginning on the date of this authorization and continuing through September 1, 2012, consistent with the terms of the September 1, 1992, contract with SaskEnergy Incorporated on file in this docket.

B. Within two weeks after deliveries begin, PMG 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, PMG 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, PMG must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered to the international border.

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 the date of this order until the end of the current calendar quarter, March 31, 1993.

Issued in Washington, D.C., on March 5, 1993.

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