

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
SIERRA PACIFIC POWER COMPANY) FE DOCKET NO. 93-102-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 866

OCTOBER 28, 1993

I. DESCRIPTION OF REQUEST _____

On September 21, 1993, as supplemented on October 13, 1993, Sierra Pacific Power Company (Sierra) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} and DOE

Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import up to 60 billion cubic feet of natural gas from Canada over a two-year term beginning on the date of first delivery after January 11, 1994.^{2/} Sierra is a regulated

public utility in the State of Nevada that distributes and sells natural gas in intrastate commerce. Sierra also produces and sells electricity at wholesale and retail. The gas proposed for import would be purchased from various Canadian suppliers for Sierra's local gas distribution operations and as fuel for its powerplants. Sierra will import the gas under short-term and spot market transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by Sierra has been evaluated to determine if the proposed import arrangement 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), an import of natural gas from a nation with

1/ 15 U.S.C. § 717b. _____

2/ This is the expiration date of Sierra's current blanket authorization granted by DOE/FE Order No. 564, as amended by DOE/FE Order No. 564-A, 1 FE § 70,518 (December 27, 1991) and

1 FE □ 70,534 (February 18, 1992).

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 Sierra 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Sierra Pacific Power Company (Sierra) is authorized to import up to 60 billion cubic feet of natural gas from Canada, at any point on the United States/Canada border, over a two-year term beginning on the date of the first delivery after January 11, 1994.

B. Within two weeks after deliveries begin, Sierra shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Sierra shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports

indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Sierra must report total monthly volumes in Mcf and the average purchase price 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 point(s) of entry; (5) the name of the United States transporter(s); (6) the geographic market(s) served; (7) whether the sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by ordering Paragraph C is due not later than April 30, 1994, and should cover the period from January 12, 1994, until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on October 28, 1993.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy