

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
IGI RESOURCES, INC.) FE DOCKET NO. 94-100-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1011

DECEMBER 15, 1994

I. DESCRIPTION OF REQUEST

On December 7, 1994, IGI Resources, Inc. (IGI) 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 extension of a blanket authorization to import Canadian natural gas which ended July 31, 1994. By DOE/FE Opinion and Order No. 652 (Order 652), issued July 30, 1992, IGI was authorized to import up to 200 Bcf of natural gas from Canada over a period of two years beginning on the date of first delivery after July 31, 1992.^{2/} IGI requests that the new import authority be retroactively approved to commence August 1, 1994, and continue for a term of two years through July 31, 1996.

IGI, an Idaho corporation with its principal place of business in Boise, Idaho, is a marketer of natural gas and a wholly-owned subsidiary of Intermountain Industries, Inc. IGI applied for its authorization to be renewed beginning August 1, 1994, because it mistakenly continued importing gas from Canada after Order 652 expired. The terms of these transactions have been reported to DOE. Under the blanket authority requested, IGI would import a total of up to 225 Bcf of gas under spot and short-term purchase arrangements, either on its own behalf or as the agent for others. The specific provisions of each transaction would be negotiated on an individual basis in response to prevailing gas market conditions.

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

2/ 1 FE 70,617. —

The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by IGI 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 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 IGI 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. The unique circumstances of this case are sufficient to justify granting the authorization retroactively. 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. IGI Resources, Inc. (IGI) is authorized to import from Canada, at any point on the international border, up to 225 Bcf of natural gas from August 1, 1994, through July 31, 1996.

B. With respect to the natural gas imports authorized by this Order, IGI shall file with the Office of Fuels Programs,

Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, 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 have occurred, IGI must report monthly total volumes in Mcf and the average purchase price of the 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 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.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1995, and should cover the fourth calendar quarter of 1994.

Issued in Washington, D.C., on December 15, 1994.

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