

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

WASHINGTON ENERGY GAS MARKETING)
COMPANY) FE DOCKET NO. 94-18-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA AND MEXICO

DOE/FE ORDER NO. 928

MARCH 24, 1994

I. DESCRIPTION OF REQUEST _____

On March 10, 1994, Washington Energy Gas Marketing Company (WEG) 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 a combined total of 80 billion cubic feet (Bcf) of natural gas from Canada and Mexico over a two-year term beginning on the date of first delivery. WEG is a Washington corporation engaged in marketing natural gas in the Pacific Coast States and the western regions of the United States and Canada. Its principal place of business is in Seattle, Washington. WEG is a wholly-owned subsidiary of Washington Energy Marketing, Inc., which is a wholly-owned subsidiary of Washington Energy Resources Company, which in turn is a wholly-owned subsidiary of Washington Energy Company. The imported gas would be purchased from Canadian and Mexican suppliers for resale in the United States under spot and short-term transactions. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by WEG 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

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

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 WEG to import natural gas from Canada and Mexico, nations 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. Washington Energy Gas Marketing Company (WEG) is authorized to import up to a combined total of 80 Bcf of natural gas from Canada and Mexico, at any point on the United States border, over a two-year term beginning on the date of the first delivery.

B. Within two weeks after deliveries begin, WEG 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, WEG 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, WEG 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 of this Order is due not later than April 30, 1994, and should cover the period from the date of this Order until the end of the first calendar quarter, March 31, 1994.

Issued in Washington, D.C., on March 24, 1994.

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