

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

THE UNITED STATES)
GENERAL SERVICES ADMINISTRATION) FE DOCKET NO. 94-51-NG
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ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 972

AUGUST 31, 1994

I. DESCRIPTION OF REQUEST

On July 11, 1994, as supplemented on August 15, 1994, the United States General Services Administration (GSA)^{1/} filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{2/} and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting authorization to import up to 55,000 Mcf per year of natural gas from Canada. The term of the proposed authorization would be for a period of 20 years commencing as soon as the necessary pipeline facilities are in place, expected to be before October, 1994. The imported gas would be used for space heating at a port-of-entry inspection station which is owned and operated by GSA, the United States Customs Service, and the Immigration and Naturalization Service on the border of the United States and Canada near Piegan, Montana.

The Piegan border station is located approximately five miles east of Glacier National Park. The border station and adjacent residences are currently serviced by a propane-fueled heating system. To deliver the gas, GSA proposes to construct and operate a 1.5-inch-diameter buried pipeline, which would extend 2,155 feet on Federally-owned land controlled by GSA, from the Canada-U.S. border to the Piegan border station. This

1/ GSA is an independent executive agency of the U.S. Government that manages and supervises the Federal Government's property. Its activities include constructing, maintaining, and operating buildings owned or leased by the Federal Government. It is also responsible for procuring and distributing supplies and

equipment.

2/ 15 U.S.C. 717b.

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pipeline would connect with an existing Canadian pipeline owned and operated by Chief Mountain Natural Gas Cooperative (Chief Mountain) of Cardston, Alberta. Chief Mountain would construct and operate the tap, pipe, and meter facilities in Canada.

GSA intends to enter into a long-term supply arrangement with Chief Mountain for the volumes of gas that would be imported. However, no gas purchase agreement had been executed at the time GSA applied for this import authorization. GSA will be required to file with DOE a copy of its contract to purchase gas from Chief Mountain when it is executed.

II. Finding _____

The application filed by GSA 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), 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 GSA 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

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

A. The United States General Services Administration (GSA) is authorized to import from Chief Mountain Natural Gas Cooperative up to 55,000 Mcf per year of Canadian natural gas. The term of the authorization shall be for 20 years beginning on the date of the first delivery, expected to be by October 1994.

B. GSA shall notify the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the proposed Piegan pipeline is available for service, within 15 days of its availability.

C. GSA shall file with OFP all supply contracts pertaining to the gas to be imported, within 15 days of their execution.

D. Within two weeks after deliveries begin, GSA shall provide written notification to OFP of the date the first import of natural gas authorized in Ordering Paragraph A above occurred.

E. With respect to the natural gas imports authorized by this Order, GSA shall file with OFP, within 30 days following each calendar quarter, quarterly reports showing by month the total volume (in Mcf) imported and the average purchase price per MMBtu paid at the international border. The price information for a particular month shall list separately (on a per unit (MMBtu) basis) the commodity charge and demand charge for

transporting the gas on Canadian pipelines to the international border.

F. The first quarterly report required by Ordering Paragraph E of this Order is due not later than 30 days after the calendar quarter in which imports first occur under this authorization.

Issued in Washington D.C., on August 31, 1994.

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