

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BC GAS UTILITY LTD.            )  
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FE DOCKET NO. 94-79-NG

ORDER GRANTING BLANKET AUTHORIZATION  
TO IMPORT AND EXPORT NATURAL GAS,  
INCLUDING LIQUEFIED NATURAL GAS,  
FROM AND TO CANADA

DOE/FE ORDER NO. 986

OCTOBER 13, 1994

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On September 29, 1994, BC Gas Utility Ltd. (BC Gas) 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, for blanket authorization to import and export natural gas, including liquefied natural gas (LNG), from and to Canada. Specifically, BC Gas proposes to import up to 25 Bcf of Canadian natural gas and LNG and to export up to 25 Bcf of domestic natural gas and LNG. The term of the authorization would be for a period of two years beginning on the date of first import or export delivery. BC Gas, a Canadian corporation with its principal place of business in Vancouver, British Columbia, is a local gas distribution company which serves mostly residential customers in western Canada. The requested authorization would allow BC Gas to import and to export this gas and LNG under short-term and spot market transactions for its own account, as well as for the accounts of others for which BC Gas may agree to act as agent. The construction of new pipeline or LNG facilities would not be involved.

II. FINDING \_\_\_\_\_

The application filed by BC Gas has been evaluated to determine if the proposed import/export 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 import or export of natural gas

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

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from or to 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 BC Gas to import and export natural gas and LNG from and to 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

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

A. BC Gas Utility Ltd. (BC Gas) is authorized to import from Canada up to 25 Bcf of natural gas, including liquefied natural gas (LNG). In addition, BC Gas is authorized to export to Canada up to 25 Bcf of natural gas, including LNG. The term of the authorization is for a period of two years beginning on the date of the initial import or export, whichever occurs first. This natural gas and LNG may be imported and exported at any United States border point.

B. Within two weeks after deliveries begin, BC Gas shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the

date that the first import or export delivery of natural gas or LNG authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas and LNG imports and exports authorized by this Order, BC Gas shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas or LNG have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, BC Gas must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import and export 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 name of the U.S. transporter(s); (5) the point(s) of entry and exit; (6) the geographic market(s) served; (7) whether 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 January 30, 1995, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1994.

Issued in Washington, D.C., on October 13, 1994.

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Anthony J. Como  
Director  
Office of Coal & Electricity

Office of Fuels Programs  
Office of Fossil Energy