

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PACIFIC GAS AND ELECTRIC COMPANY)
GAS SUPPLY BUSINESS UNIT)
_____) FE DOCKET NO. 95-90-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE ORDER NO. 1109

OCTOBER 31, 1995

I. DESCRIPTION OF REQUEST _____

On October 20, 1995, Pacific Gas and Electric Company (PG&E) 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, on behalf of its Gas Supply Business Unit (GSBU), for blanket authorization to import up to 600 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on the date of the first delivery after October 31, 1995.^{2/}

PG&E is incorporated in the State of California and has its principal place of business in California. A public utility regulated by the California Public Utilities Commission, PG&E is principally engaged in the business of local transmission and distribution of natural gas and the generation, local transmission, and distribution of electricity.

PG&E/GSBU will use the imported gas to meet its responsibility within PG&E for supplying gas for resale to end-users, local distribution companies, municipalities, and others in northern and central California. GSBU provides transportation services on PG&E's pipeline system within the State of California. PG&E/GSBU will import the natural gas at the international border near Kingsgate, British Columbia, under short-term and spot market transactions. The imported gas will

1/ 15 U.S.C. 717b. —

2/ This is the expiration date of PG&E/GSBU's blanket authorization to import natural gas from Canada, granted in —

DOE/FE Order No. 852 on September 30, 1993 (1 FE 70,856).

be transported from Kingsgate by Pacific Gas Transmission Company to PG&E's local distribution facilities in California. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by PG&E/GSBU 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 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 PG&E/GSBU 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. Pacific Gas and Electric Company, Gas Supply Business Unit, (PG&E/GSBU) is authorized to import up to 600 Bcf of natural gas from Canada over a two-year term beginning on the

date of the first delivery after October 31, 1995. This natural gas may be imported at any United States border point.

B. Within two weeks after deliveries begin, PG&E/GSBU 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, PG&E/GSBU shall file with OFP, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, PG&E/GSBU 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 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 United States transporter(s); (5) the point(s) of entry; (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, 1996, and should cover the period from November 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on October 31, 1995.

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