

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

_____)
VERMONT GAS SYSTEMS, INC.) FE DOCKET NO. 91-54-NG
_____)

ORDER AMENDING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 550-A

On November 8, 1995, as supplemented November 27, 1995,
Vermont Gas Systems, Inc. (Vermont Gas) filed an application with
the Office of Fossil Energy (FE) of the Department of Energy
(DOE), under section 3 of the Natural Gas Act^{1/} and DOE

—
Delegation Order Nos. 0204-111 and 0204-127, to amend its
long-term import authorization to reduce the maximum daily volume
of natural gas. DOE/FE Opinion and Order No. 5502/, issued

—
November 26, 1991, authorized Vermont Gas to import up to 32,000
Mcf per day of natural gas from TransCanada Gas Marketing Limited
(TransCanada) through October 31, 2006.^{3/}
—

1/ 15 U.S.C. 717b. —

2/ 1 FE 70,501. —

3/ Vermont Gas also is authorized to import and export natural
—
gas on a short-term blanket basis by DOE Order No. 1112 dated
November 1, 1995 (not yet published).

Under the Vermont Gas/TransCanada (Successor to Western Gas Marketing Limited)^{4/} gas sales contract, Vermont Gas has the right to reduce its daily contract volume (DCV) once underground storage becomes available and to expand its supply portfolio.

Effective April 1, 1995, Vermont Gas signed a 15-year gas services agreement with Gaz Metropolitan for storage and redelivery of 19,000 Mcf per day of natural at a border interconnection near Philipsburg, Quebec. Vermont Gas and TransCanada amended their gas sales contract on April 1, 1995, to reduce the DCV from 32,000 to 21,000 Mcf. Vermont Gas requests a parallel amendment to its import authorization.

Under section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), 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 related applications must be granted without modification or delay. The Vermont Gas application to amend its current authority to import natural gas produced in Canada meets the section 3(c) criterion and, therefore, is consistent with the public interest.

^{4/} In 1995, Western Gas Marketing Limited merged with TransCanada Pipelines Limited and renamed the merged companies TransCanada Gas Marketing Limited. The long-term contract

Vermont Gas holds with TransCanada remains in full force and effect.

ORDER

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

A. DOE/FE Opinion and Order No. 550 (Order 550), issued to Vermont Gas Systems, Inc. (Vermont Gas) On November 26, 1991, is amended to reduce from 32,000 Mcf per day to 21,000 Mcf per day the volume of natural gas Vermont Gas is authorized to import from TransCanada Gas Marketing Limited pursuant to their long-term gas sales agreement, as amended April 1, 1995.

B. All other terms and conditions of the import authorization contained in Order 550 shall remain in full force and effect.

Issued in Washington, D.C., on December 14, 1995.

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