

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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VERMONT GAS SYSTEMS, INC. )  
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FE DOCKET NO. 95-111-NG

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

DOE/FE ORDER NO. 1139

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JANUARY 2, 1996  
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I. DESCRIPTION OF REQUEST

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On November 8, 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, for long-term import authorization. Vermont Gas requests authority to import up to 19 MMcf per day of Canadian natural gas over a fifteen-year term in accordance with a Gas Services Agreement (Agreement) with Gaz Metropolitan Limited Partnership (GMLP)2/ dated April 1, 1995. Vermont Gas requests that the authorization be granted retroactively to November 1, 1995.3/ Under the Agreement, GMLP will provide gas storage and transportation services to Vermont Gas. Vermont Gas, a local distribution company, is a Vermont corporation with its principal place of business in South Burlington, Vermont.

The proposed imports would be used primarily for system supply and would serve to replace a reduction in gas supplies

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1. 15 U.S.C. 717.b.
  2. Concurrent with its instant authorization filing, Vermont Gas also filed an application to amend its current import authorization under DOE/FE Opinion and Order No. 550 to reflect the reduction in contractual quantity from 32,000 Mcf to 21,000 Mcf per day to its gas sales contract with TransCanada Gas Marketing Limited.
  3. This is the first date that Vermont Gas may begin withdrawal of gas from underground storage in accordance with the Agreement.

imported by Vermont Gas under its gas sales contract with TransCanada Gas Marketing Ltd. and to provide for additional import capacity for peak demand periods. Delivery would take place at an interconnection between the facilities of Vermont Gas and TransCanada PipeLines Limited at the international border near Highgate Springs, Vermont. The pricing structure in the Agreement with GLMP includes: (1) demand charges for total storage space, maximum daily withdrawal, and transportation from storage; (2) commodity charges for injection into storage, withdrawal and transportation from storage; and (3) supply and storage deficiency charges.

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

The application filed by Vermont Gas 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 Vermont Gas 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

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

A. Vermont Gas Systems, Inc. (Vermont Gas) is authorized to import up to 19,000 Mcf per day of natural gas beginning on November 1, 1995, through October 31, 2010, consistent with the terms and conditions of its gas services agreement with Gaz Metropolitan Limited Partnership (GMLP), dated April 1, 1995. This natural gas may be imported at the point of interconnection between the pipeline facilities of TransCanada PipeLines Ltd. and Vermont Gas which is located at the United States and Canada international border near Highgate Springs, Vermont.

B. With respect to the natural gas imports authorized by this Order, Vermont Gas 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, Vermont Gas must report monthly total volumes in Mcf and the average purchase price per MMBtu at the

international border, and paid to GMLP. The monthly price information does not have to itemize separately the commodity, demand, and supply storage deficiency costs.

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1996, and should cover the period from January 1, 1996, until the end of the first calendar quarter, March 31, 1996.

Issued in Washington, D.C., on January 9, 1996.

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