

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BC GAS UTILITY LTD.)
_____)

FE DOCKET NO. 96-07-NG

ORDER GRANTING AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA

DOE/FE ORDER NO. 1149

MARCH 12, 1996

I. DESCRIPTION OF REQUEST _____

On February 7, 1996, 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 authorization to import up to 5,000,000 MMBtu's (approximately 5 Bcf) per year of natural gas from Canada for storage at the Jackson Prairie Storage Field at Chehalis, Washington, and export equivalent volumes back to Canada beginning on May 1, 1996,^{2/}

and ending April 30, 2000. BC Gas is a local distribution company located in Vancouver, British Columbia, which provides natural gas service to 700,000 residential customers. This natural gas will be imported and subsequently re-exported through existing pipeline facilities of the Sumas International Pipeline, Inc. and the Northwest Pipeline Company at Sumas, Washington, and Pacific Gas Transmission Company at Eastport, Idaho. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING _____

The application filed by BC Gas has been evaluated to determine if the proposed import and export storage 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.

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

2/ This is the date that BC Gas' current authorization granted
- in DOE/FE Docket No. 91-14-NG, (1 FE 70,467) expires.

102-486). Under section 3(c), the import or export of natural gas 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 natural gas from Canada, and to export equivalent volumes of natural gas back 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.

ORDER

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

A. BC Gas Utility LTD. (BC Gas) is authorized to import through existing pipelines facilities at Sumas, Washington, and Eastport, Idaho, up to 5 Bcf per year of Canadian natural gas for storage at the Jackson Prairie Storage Field in Washington State, and to export equivalent volumes back into Canada. The term of this authorization shall begin May 1, 1996, and end on April 30, 2000.

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 and the date that the first export authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas 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 storage gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, BC Gas must report the following: (1) total monthly volumes in Mcf; (2) the name of the United States transporter(s); and (3) the point(s) of entry and exit. For those volumes of natural gas imported at Sumas, Washington, BC Gas shall indicate whether the system of Sumas International Pipeline Inc. or Northwest Pipeline Company was utilized.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1996, and should cover the period from May 1, 1996, until the end of the second calendar quarter, June 30, 1996.

Issued in Washington, D.C., on March 12, 1996.

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