



OCTOBER 31, 1996

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

On October 25, 1996, The Montana Power Company (MPC) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup>

and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authorization to import up to 10 Bcf of natural gas from Canada. The term of the authorization would be for two years beginning on the date of the first delivery after February 6, 1997.<sup>2/</sup> MPC, an electric and gas utility, is a Montana

corporation with its principal place of business in Butte, Montana. MPC would import the Canadian gas under spot arrangements with the specific terms of each import transaction negotiated voluntarily in response to market conditions. The requested authorization does not involve the construction of new pipeline facilities.

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

The application filed by MPC 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 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 must be granted without modification

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

2/ This is the expiration date of MPC's existing blanket import  
— authorization granted by DOE/FE Order No. 990 dated October 27,  
1994 (1 FE 71,033).

or delay. The authorization sought by MPC 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

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

A. The Montana Power Company (MPC) is authorized to import from Canada, at any point on the international border, up to 10 Bcf of natural gas over a two-year term beginning on the date of first delivery after February 6, 1997.

B. Within two weeks after deliveries begin, MPC shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, 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, MPC 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

occur, MPC must report total monthly volumes in Mcf and the average purchase price 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 U.S. 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 April 30, 1997, and should cover the period from February 7, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on October 31, 1996.

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