

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

_____)
BC GAS UTILITY LTD.) FE DOCKET NO. 96-86-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS,
INCLUDING LIQUEFIED NATURAL GAS,
FROM AND TO CANADA

DOE/FE ORDER NO. 1222

NOVEMBER 29, 1996

I. DESCRIPTION OF REQUEST _____

On November 12, 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 blanket authorization to import from Canada up to 25 Bcf of natural gas, including liquefied natural gas (LNG), and to export to Canada up to 25 Bcf of natural gas, including LNG, for a period of two years beginning on the date of the first delivery after November 30, 1996.^{2/} BC Gas, a Canadian corporation with its principal

place of business in Vancouver, British Columbia, is a local gas distribution company which serves mostly residential customers in western Canada.

This gas would be imported and exported under short-term and spot market transactions on BC Gas own behalf and as an agent for others. The construction of new pipeline facilities would not be involved.

II. FINDING _____

The application filed by BC Gas has been evaluated to determine if the proposed import/export 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 or export of natural gas from or to a nation with which there is in effect a free

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

2/ This is the expiration date of BC Gas current blanket authorization to import and export natural gas and LNG, granted by DOE/FE Order No. 986 on October 13, 1994 (1 FE 71,029).

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 and export natural gas, including LNG, from and 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. 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. BC Gas Utility Ltd. (BC Gas) is authorized to import up to 25 Bcf of natural gas, including liquefied natural gas, and to export up to 25 Bcf of natural gas, including liquefied natural gas, from and to Canada. The term of this authorization is for a period of two years beginning on the date of the initial import or export delivery, whichever occurs first, after November 30, 1996. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, BC Gas shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-35, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import

or export delivery of natural gas 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 the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, BC Gas must report the following: (1) total monthly volumes in Mcf; (2) the average monthly price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U.S. transporter(s); (7) the point(s) of entry or exit; and (8) the geographic market(s) served (for imports, by state). For import transactions only, the reports also shall include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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, 1997, and should cover the period from December 1, 1996, until the end of the fourth calendar quarter, December 31, 1996.

Issued in Washington, D.C., on November 29, 1996.

Wayne E. Peters
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Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy