

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ST. LAWRENCE GAS COMPANY, INC.

FE DOCKET NO. 96-26-NG

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

DOE/FE ORDER NO. 1190-A

JULY 11, 1997

I. DESCRIPTION OF REQUEST

Currently, under DOE/FE Order No. 1190 (Order 1190)⁽¹⁾, St. Lawrence Gas Company, Inc. (St. Lawrence) is authorized to import up to 20,275 Mcf of natural gas per day with an annual limit of approximately 5.26 Bcf. Of this volume, St. Lawrence is authorized to import directly up to 10,275 Mcf per day with an annual limit of approximately 3.75 Bcf. St. Lawrence is authorized to import the balance, up to an additional 10,000 Mcf per day, of storage gas during the winter period November 1 through March 31. The total volume of storage gas imported during each winter period shall not exceed approximately 1.51 Bcf. The term of this authorization is for 10 years continuing through October 31, 2002.

St. Lawrence is a natural gas distribution company serving customers in St. Lawrence County in northern New York State. Its principal place of business is in Massena, New York. St. Lawrence is a wholly owned subsidiary of The Consumers' Gas Company Ltd., a Canadian corporation which distributes gas in the Province of Ontario.

On May 15, 1997, St. Lawrence informed the Department of Energy (DOE) pursuant to 10 CFR § 590.407 of DOE's regulations that it had reduced the daily contract volume in its gas sales contract with TransCanada Energy Ltd.⁽²⁾ from 10,275 Mcf per day to 8,800 Mcf per day which, in turn, would reduce the annual contract volume to approximately 3.22 Bcf.

Pursuant to a discussion with the Office of Fossil Energy (FE) of DOE, St. Lawrence filed on July 3, 1997, an application, under section 3 of the Natural Gas Act (NGA)⁽³⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting that FE amend St. Lawrence's current authority to import gas into the United States from Canada. The amendment solely requests that St. Lawrence's daily import authorization be reduced from 10,275 Mcf per day to 8,800 Mcf per day and that its corresponding annual authorization be reduced from 3.75 Bcf to 3.22 Bcf under the terms of an amending agreement to the gas sales contract between St. Lawrence and TransCanada Energy Ltd. dated January 24, 1997.

II. FINDING

The application filed by St. Lawrence has been evaluated to determine if the proposed import arrangement and contract amendments meet 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 St. Lawrence to amend its present authority 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

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

A. Ordering Paragraph A of DOE/FE Order No. 1190 (Order 1190), issued July 26, 1996, is amended to substitute as the maximum import volume 18,800 Mcf of natural gas per day and an annual limit of approximately 4.73 Bcf for 20,275 Mcf per day with an annual limit of approximately 5.26 Bcf. In addition, for direct delivery, 8,800 Mcf of gas per day and 3.22 Bcf of gas annually is substituted for 10,275 Mcf per day and 3.75 Bcf annually.

B. All other terms and conditions contained in Order 1190 shall remain in full force and effect.

Issued in Washington, D.C., on July 11, 1997.

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

1. / 1 FE ¶ 71,291 (July 26, 1996).

2. / The original gas sales contract was between St. Lawrence and TransCanada Gas Services Limited (as agent for TransCanada Gas Marketing Limited, formerly Western Gas Marketing Limited). TransCanada Energy Ltd. is the successor by amalgamation to TransCanada Gas Marketing Limited.

3. / 15 U.S.C. § 717b.