

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PACIFIC GAS AND ELECTRIC COMPANY CORE PROCUREMENT DEPARTMENT

(Formerly Gas Supply Business Unit)

FE DOCKET NO. 97-69-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1305

OCTOBER 3, 1997

I. DESCRIPTION OF REQUEST

On September 25, 1997, Pacific Gas and Electric Company (PG&E), 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, on behalf of its Core Procurement Department (CPD), requesting blanket authorization to import up to 600 Bcf of natural gas from Canada for two years beginning on November 1, 1997.⁽²⁾ PG&E/CPD requests authority to import gas for use in fossil-fueled electric generating plants owned by PG&E, a California corporation and public utility regulated by the California Public Utilities Commission. PG&E is principally engaged in the business of local transmission and distribution of natural gas, and the generation, local transmission, and distribution of electricity. PG&E/CPD would use the imported gas to meet its principal responsibility within PG&E for the generation and distribution of electricity for sale in northern and central California. PG&E/CPD would import the gas at the international border near Kingsgate, British Columbia, under short-term and spot market transactions. The gas would be transported from Kingsgate to PG&E's local distribution facilities in California by Pacific Gas Transmission Company.

II. FINDING

The application filed by PG&E/CPD 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 or delay. The authorization sought by PG&E/CPD to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3© 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. Pacific Gas and Electric Company, Core Procurement Department (PG&E/CPD) is authorized to import from Canada up to 600 Bcf of natural gas over a two-year term beginning on November 1, 1997 and expiring on October 31, 1999. The gas may be imported at any U.S./Canada border point.
- B. With respect to the natural gas imports authorized by this Order, PG&E/CPD shall file with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3F-056, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, DC 20585, 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, PG&E/CPD 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 (by state); (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.
- C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 1998, and should cover the period from November 1, 1997, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C., on October 3, 1997.

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

1. 15 U.S.C. § 717b.

2. October 31, 1997, is the expiration date of PG&E/CPD's existing blanket import authorization granted by DOE/FE Order No. 1109 dated October 31, 1995 (1 FE ¶ 71,189).