

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

SIERRA PACIFIC POWER COMPANY

FE DOCKET NO. 97-81-NG

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

DOE/FE ORDER NO. 1327

NOVEMBER 5, 1997

## I. DESCRIPTION OF REQUEST

On October 15, 1997, Sierra Pacific Power Company (Sierra) filed an application with the Office of Fossil Energy of the Department Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>(1)</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import up to 15,000 MMBtu per day of Canadian natural gas for the period of April 1, 1997, through March 31, 2000.<sup>(2)</sup> Sierra, a Nevada corporation with its principal place of business in Reno, Nevada, is a wholly-owned subsidiary of Sierra Pacific Resources. Sierra is a regulated public utility in the State of Nevada that distributes and sells natural gas in intrastate commerce. Sierra also produces and sells electricity at wholesale and retail. The imported natural gas will be purchased from Amoco Canada Petroleum Company Ltd. (Amoco) pursuant to the terms of a firm gas sales contract (gas contract) dated December 1, 1995. Sierra will import the gas near Eastport, Idaho/Kingsgate, British Columbia, at the interconnection of the Alberta Natural Gas Company Ltd. and Pacific Gas Transmission Company.

Under the contract with Amoco, Sierra will pay \$1.14 (U.S.) per MMBtu of the daily contract quantity (DCQ) from April 1, 1995, to March 31, 1998; \$1.23 from April 1, 1998, to March 31, 1999; and \$1.34 from April 1, 1999, to March 31, 2000. Sierra is required to take the entire DCQ subject to a liquidated damages provision. The requested authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by Sierra has been evaluated to determine if the proposed import arrangement meets the public interest requirements 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 Sierra 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. Sierra Pacific Power Company (Sierra) is authorized to import up to 15,000 MMBtu per day of natural gas for the period of April 1, 1997, through March 31, 2000, under the terms and conditions of the gas contract dated December 1, 1995, with Amoco Canada Petroleum Company Ltd. (Amoco). This natural gas may be imported near Eastport, Idaho/Kingsgate, British Columbia.

B. With respect to the natural gas imports authorized by this Order, Sierra shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this Order. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Sierra must report by month, the volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border and paid to Amoco. The monthly price information shall itemize separately the demand and commodity charges, fuel charges, and if applicable, reservation fees. In addition, Sierra shall provide to the extent possible, a breakdown of the import volume showing the amount sold in each State and to each of its customers.

C. Quarterly reports shall be filled 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, D.C. 20585.

D. 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 the date of the Order, until the end of the fourth calendar quarter, December 31, 1997.

Issued in Washington, D.C. on November 5, 1997.

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

1. 1/ 15 U.S.C. § 717b.

2. 2/ Sierra has been importing this gas under its current blanket authorization granted in DOE/FE Order No. 1105, dated October 26, 1995 (1 FE ¶ 71,184).