

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

BC GAS UTILITY LTD.

FE DOCKET NO. 98-77-NG

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

DOE/FE ORDER NO. 1426

OCTOBER 26, 1998

I. DESCRIPTION OF REQUEST

On October 15, 1998, 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 up to 25 Billion cubic feet (Bcf) and to export up to 25 Bcf of natural gas from and to Canada. The authorization would be for a two-year term beginning on the date of first delivery after November 30, 1998.⁽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. BC Gas will import and export natural gas under short-term and spot purchase arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by BC Gas has been evaluated to determine if the proposed import and 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 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, 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 Billion cubic feet (Bcf) and to export up to 25 Bcf of natural gas from and to Canada. The term of the authority is for two years beginning on the date of first delivery after November 30, 1998.

B. This natural gas may be imported and exported at any point on the border between the United States and Canada.

C. Within two weeks after deliveries begin, BC Gas shall provide written notification of the date that the first import or export delivery of natural gas authorized in Paragraph A above occurred.

D. 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, BC Gas must report the following:

(1) total monthly volumes in Mcf; (2) the average monthly purchase 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 and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1999, and should cover the period from December 1, 1998, until the end of the fourth calendar quarter, December 31, 1998.

F. The notification and quarterly reports required by Ordering Paragraphs C and D of this Order shall be filed with the

Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on October 26, 1998.

John W. Glynn

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/ This is the expiration date of BC Gas' current blanket authorization to import and export natural gas granted by DOE/FE Order No. 1222 on November 29, 1996 (1 FE ¶ 71,336).