

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

THE MONTANA POWER COMPANY

FE DOCKET NO. 98-99-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1447

DECEMBER 22, 1998

I. DESCRIPTION OF REQUEST

On December 15, 1998, The Montana Power Company (MPC) 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 204-127, for blanket authorization to import up to 10 billion cubic feet of natural gas from Canada. MPC requested that the authorization be granted for a two-year term beginning on February 7, 1999.⁽²⁾ MPC, an electric and gas utility, is a Montana corporation with its principal place of business in Butte, Montana. MPC will import the gas under short-term purchase arrangements negotiated in response to market conditions. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by MPC 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 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 MPC 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. 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. The Montana Power Company (MPC) is authorized to import up to 10 billion cubic feet of natural gas from Canada over a two-year term beginning on February 7, 1999, through February 6, 2001.
- B. This natural gas may be imported at any point on the border of the United States and Canada.
- C. With respect to the natural gas imports authorized by this Order, MPC 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 of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, MPC must report total monthly volumes in Mcf and the average purchase price of gas 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (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.
- D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1999, and should cover the period from February 7, 1999, until the end of the first calendar quarter, March 31, 1999.
- E. The quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on December 22, 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/ MPC's current blanket authorization to import natural gas granted by DOE/FE Order No. 1217 dated October 31, 1996, (1 FE ¶ 71,331) expires on February 6, 1999.