

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BOUNDARY GAS, INC.)
_____)

FE DOCKET NO. 99-09-NG

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

DOE/FE ORDER NO. 1461

FEBRUARY 8, 1999

I. DESCRIPTION OF REQUEST

On January 29, 1999, Boundary Gas, Inc. (Boundary) 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 and export from and to Canada up to a combined total of 67.5 billion cubic feet (Bcf) of natural gas over a two-year term beginning on the date of the first import or export delivery after February 24, 1999.^{2/} Boundary is a Delaware corporation with its principal office located in Beverly, Massachusetts. Boundary is engaged in the business of purchasing and importing Canadian gas. Boundary will import and export the natural gas under spot and short-term purchase arrangements on its own behalf and on the behalf of others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Boundary 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 Boundary 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

^{1/} 15 U.S.C. § 717b.

^{2/} Boundary's blanket import/export authorization, granted by DOE/FE Order no. 1257 on February 21, 1997 (1 FE ¶ 71,378), expires on February 24, 1999.

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. Boundary Gas, Inc. (Boundary) is authorized to import and export from and to Canada up to a combined total of 67.5 Bcf of natural gas over a two-year term beginning on the date of the first import or export delivery after February 24, 1999. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

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

C. With respect to the natural gas imports and exports authorized by this Order, Boundary shall file with 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, Boundary must report the following: (1) total monthly volumes in Mcf; (2) the average 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 United States transporter(s); (7) the point(s) of entry or exit; (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, if applicable, (2) 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 25, 1999 until the end of the first calendar quarter, March 31, 1999.

E. The notification and reports required by Ordering Paragraphs B and C of this Order 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 February 8, 1999.

John W. Glynn
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Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy