

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BRITISH COLUMBIA POWER)
EXCHANGE CORPORATION)

FE DOCKET NO. 99-12-NG

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

DOE/FE ORDER NO. 1464

FEBRUARY 24, 1999

I. DESCRIPTION OF REQUEST

On February 12, 1999, British Columbia Power Exchange Corporation (Powerex) 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 a combined total of up to 14 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on March 1, 1999, and extending through February 28, 2001. Powerex is a corporation organized and existing under the Company Act of British Columbia, with its principal place of business located in Vancouver, British Columbia, Canada. The sole shareholder of Powerex is the British Columbia Hydro and Power Authority, a Provincial Crown Corporation of the Government of British Columbia. Powerex presently aggregates and markets power produced from sources within British Columbia, Alberta and the United States. Powerex is planning on expanding its services by engaging in the business of marketing Canadian natural gas to various U.S. customers. Powerex will import and export the gas under short-term and spot market purchase arrangements, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Powerex 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),

1/ 15 U.S.C. § 717b.

the import and export of natural gas from and 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 Powerex 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. British Columbia Power Exchange Corporation (Powerex) is authorized to import and export a combined total of up to 14 Bcf of natural gas from and to Canada over a two-year term beginning on March 1, 1999, through February 28, 2001. This natural gas may be imported and exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, Powerex shall file within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. 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, Powerex 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 United States 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 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.

C. The reports required by Ordering Paragraph B 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 1999, and should cover the period from the date of this Order, through the end of the first calendar quarter, March 31, 1999.

Issued in Washington, D.C., on February 24, 1999.

John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy