

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

AVISTA ENERGY, INC. _____

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FE DOCKET NO. 99-20-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS
TO CANADA

DOE/FE ORDER NO. 1472

MARCH 25, 1999

I. DESCRIPTION OF REQUEST

On March 18, 1999, Avista Energy, Inc. (Avista Energy) 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 export up to 219 billion cubic feet of natural gas to Canada. The authorization would be for a two-year term beginning on the date of first delivery. Avista Energy is a corporation organized and existing under the laws of the State of Washington, with its principal place of business in Spokane. Avista Energy is a wholly-owned subsidiary of Avista Capital, Inc., which is wholly-owned by Avista Corporation. Avista Corporation owns and operates electric power generation, transmission and distribution facilities in eastern Washington and northern Idaho and provides natural gas service at retail, to consumers in the States of Washington, Idaho, Oregon and California. Avista Energy plans to export the natural gas under short-term and spot market arrangements on its own behalf or on behalf of others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Avista Energy has been evaluated to determine if the proposed 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 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

^{1/} 15 U.S.C. § 717b.

must be granted without modification or delay. The authorization sought by Avista Energy to export natural gas 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. Avista Energy, Inc. (Avista Energy) is authorized to export up to 219 billion cubic feet of natural gas to Canada over a two-year term beginning on the date of first delivery.

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

C. Within two weeks after deliveries begin, Avista Energy shall provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first export of natural gas authorized in Paragraph A above occurred.

D. With respect to the natural gas exports authorized by this Order, Avista Energy shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether 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 exports have occurred, Avista Energy 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); and (7) the point(s) of exit.

E. 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 & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

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

Issued in Washington, D.C., on March 25, 1999.

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