

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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CASCADE NATURAL GAS CORPORATION) FE DOCKET NO. 99-22 -NG
_____)

**ORDER EXTENDING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA**

DOE/FE ORDER NO. 1474-B

OCTOBER 24, 2000

I. DESCRIPTION OF REQUEST

On October 4, 2000, Cascade Natural Gas Corporation (Cascade) 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, requesting that the Department extend Cascade's authorization to import natural gas from Canada for one year, beginning on November 1, 2000, and extending through October 31, 2001. Cascade, a Washington corporation with its principal place of business in Seattle, is a public utility which distributes and sells natural gas in the States of Oregon and Washington. Currently, Cascade is authorized to import from Engage Energy Canada, L.P. (Engage) up to 30,000 MMBtu^{2/} per day of natural gas during the one-year period beginning on November 1, 1999, and extending through October 31, 2000, pursuant to DOE/FE Order No. 1474, as amended by DOE/FE Order No. 1474-A.^{3/} The gas enters the United States at the interconnection of the pipeline systems of Westcoast Energy, Inc. and Northwest Pipeline Corporation (Northwest) near Sumas, Washington.

On August 23, 2000, Cascade and Engage extended their gas sales agreement through October 31, 2001. During the extension period, the commodity price Cascade pays will be calculated based on an index of spot prices for gas delivered into Northwest's system at the Canadian border and in the Rocky Mountains, which are published each month by *Inside FERC's Gas Market Report*, and by the *Canadian Gas Price Reporter* for spot market gas in Canada. The sales agreement imposes a minimum purchase requirement of 15,000 MMBtu per day.

^{1/} 15 U.S.C. § 717b.

^{2/} One MMBtu equals approximately one Mcf.

^{3/} See 2 FE ¶ 70,318 (April 6, 1999) and ¶ 70,400 (October 28, 1999).

II. FINDING

The application filed by Cascade 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. Cascade's request for a one-year extension of its authorization 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.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Cascade Natural Gas Corporation (Cascade) is authorized to import from Canada up to 30,000 MMBtu per day of natural gas beginning on November 1, 2000, and extending through October 31, 2001.

B. This natural gas may be imported at Sumas, Washington, consistent with the authorizations conferred by DOE/FE Order Nos. 1474 and 1474-A and the terms of Cascade's gas sales agreement with Engage Energy Canada, L.P., as amended August 23, 2000.

C. With respect to the natural gas imports authorized by this Order, Cascade will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. 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, Cascade must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. [OMB No.: 1901-0294]

D. The quarterly reports will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2001, and should cover the period from November 1, 2000, until the end of the fourth calendar quarter, December 31, 2000.

Issued in Washington, D.C., on October 24, 2000.

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