

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

USGEN NEW ENGLAND, INC.

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FE DOCKET NO. 00-04-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1565

JANUARY 21, 2000

I. DESCRIPTION OF REQUEST

On January 14, 2000, USGen New England, Inc.(USGen NE) 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, requesting blanket authorization to import up to 47.5 Bcf of natural gas from Canada over a two-year term beginning February 1, 2000.^{2/} USGen NE, a Delaware corporation with its principal place of business in Bethesda, Maryland, is a wholly-owned, indirect subsidiary of PG&E Corp. USGen NE is engaged in the generation, transmission, and sale of electric power in the New England region. It acquires Canadian gas on a short-term or spot market basis to supplement long-term firm imported gas supplies used in its electric generating facilities. USGen NE sells excess imported gas that is not used at its power plants on the domestic spot market. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by USGen NE 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 importation 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 USGen

^{1/} 15 U.S.C. § 717b.

^{2/} On May 28, 1998, FE transferred to USGen the authorization to import natural gas from Canada previously granted to New England Power Company (NEP). *See* DOE/FE Opinion and Order No. 1348-A (1FE ¶ 71,564). In 1998, USGen acquired NEP's non-nuclear electric generating business, including its power plants that burn natural gas and its natural gas purchase contracts. The term of the authorization was for a period of two years ending January 31, 2000.

NE 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. USGen New England, Inc. (USGen NE) is authorized to import from Canada, at any point on the international border, up to 47.5 Bcf of natural gas over a two-year term beginning on February 1, 2000, and extending through January 31, 2002.

B. With respect to the natural gas imports authorized by this Order, USGen NE shall 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, USGen NE must report total monthly volumes in Mcf and the average purchase price 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 U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by state); (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. [OMB No.: 1901-0294]

C. Quarterly reports 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2000, and should cover the period from the February 1, 2000, until the end of the first calendar quarter, March 31, 2000.

Issued in Washington, D.C., on January 21, 2000.

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