

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SACRAMENTO MUNICIPAL UTILITY)
DISTRICT)

FE DOCKET NO. 00-49-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1611

JULY 14, 2000

I. DESCRIPTION OF REQUEST

On July 10, 2000, the Sacramento Municipal Utility District (SMUD) 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, for blanket authorization to import up to 25 Bcf of natural gas from Canada beginning on the date of the first delivery.^{2/} SMUD is an electric utility in Sacramento, California, which serves more than one million customers in Sacramento and Placer Counties. The imported volumes will be used to operate SMUD's combined cycle turbines which produce electricity for wholesale and retail customers and cogenerate steam for local industrial uses. SMUD will purchase the gas from a variety of Canadian suppliers on a short-term or spot basis at competitive prices. The requested authorization does not require the construction of new pipeline facilities.

II. FINDING

The application filed by SMUD 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. The authorization sought by SMUD 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.

^{1/} 15 U.S.C. § 717b.

^{2/} SMUD previously held a blanket import authorization which was granted by DOE/FE Order No. 1069 on July 10, 1995, and expired March 31, 2000 (1 FE ¶ 71,140).

ORDER

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

A. Sacramento Municipal Utility District (SMUD) is authorized to import up to 25 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery. This natural gas may be imported at any point on the border of the United States and Canada.

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

C. With respect to the natural gas imports authorized by this Order, SMUD 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, SMUD must report total monthly volumes in Mcf and the average purchase price of gas 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; (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (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]

D. The notice and reports required by Ordering Paragraphs B and C of this Order shall 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 October 30, 2000, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 2000.

Issued in Washington, D.C., on July 14, 2000.

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