

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

THE MONTANA POWER COMPANY) FE DOCKET NO. 00-72-NG
_____)

**ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA**

DOE/FE ORDER NO. 1634

OCTOBER 24, 2000

I. DESCRIPTION OF REQUEST

On October 13, 2000, The Montana Power Company (Montana Power) 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 export up to 4 Bcf of domestic natural gas to Canada for two years beginning November 1, 2000. Montana Power has its principal place of business in Butte, Montana, and provides local distribution and transportation services in Montana. Montana Power plans to export the requested volumes under short-term and spot market transactions either on its own behalf or as agent for others. The authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Montana Power 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 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 Montana Power 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.

^{1/} 15 U.S.C. § 717.b.

ORDER

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

A. The Montana Power Company (Montana Power) is authorized to export, at any point on the international border, up to 4 Bcf of natural gas to Canada over a two-year term beginning on November 1, 2000, and extending through October 31, 2002.

B. With respect to the natural gas exports authorized by this Order, Montana Power shall file, within 30 days following each calendar quarter, reports indicating whether exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If exports have occurred, Montana Power must report monthly total volumes in Mcf and the average sales price per MMBtu at the international border. The reports shall also provide the details of each export 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 exit; (6) the geographic market(s) served; and (7) whether the sales are being made on an interruptible or firm basis. [OMB No.: 1901-0294]

C. The reports required by Ordering Paragraph B 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.

D. The first quarterly report required by Ordering Paragraph B 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
Office of Fossil Energy