

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

BC GAS UTILITY LTD.

FE DOCKET NO. 00-82-NG

**ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA**

DOE/FE ORDER NO. 1650

NOVEMBER 16, 2000

I. DESCRIPTION OF REQUEST

On November 1, 2000, BC Gas Utility Ltd.(BC Gas) 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 import up to 35 billion cubic feet (Bcf) and to export up to 35 Bcf of natural gas from and to Canada. The authorization would be for two years beginning on December 19, 2000, and extending through December 18, 2002.^{2/} The firm is a Canadian corporation with its principal place of business in Vancouver, British Columbia, and a local gas distribution company which serves mostly residential customers in western Canada. BC Gas will import and export natural gas under short-term and spot-market purchase and sales arrangements for its own account and as agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by BC Gas has been evaluated to determine if the proposed import and 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 import or 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 must be granted without modification or delay. The authorization sought by BC Gas to import and export natural gas, from and to Canada, a nation with which a free trade

1/ 15 U.S.C. § 717b.

2/ BC Gas' current blanket authorization to import and export natural gas was granted by DOE/FE Order No. 1426 on October 26, 1998 (2 FE ¶ 70,247). Initial deliveries began December 19, 1998, and the authority is approved through December 18, 2000.

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. BC Gas Utility Ltd. (BC Gas) is authorized to import up to 35 Bcf and to export up to 35 Bcf of natural gas from and to Canada. The authorization is for two years beginning on December 19, 2000, and extending through December 18, 2002. This natural gas may be imported and exported at any point on the border between the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, BC Gas must file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or 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 imports or exports have occurred, BC Gas 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); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include the following information: (1) whether sales are being made on an interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-

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, 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 January 30, 2001, and should cover the period from December 19, 2000, until the end of the fourth calendar quarter, December 31, 2000.

Issued in Washington, D.C., on November 16, 2000.

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