

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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CASCADE NATURAL GAS CORPORATION ) FE DOCKET NO. 90-76-NG  
\_\_\_\_\_)

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

**DOE/FE ORDER NO. 452-A**

**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)<sup>1/</sup> 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 two years, beginning on November 1, 2000, and extending through October 31, 2002. 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 Mobil Oil Canada, Ltd. (Mobil Canada), up to 12,000 Mcf of natural gas per day, not exceeding a total of 42.2 Bcf annually, during the 10-year period between November 1, 1990, through October 31, 2000, pursuant to DOE/FE Opinion and Order No. 452 (Order 452).<sup>2/</sup> The gas enters the United States at the interconnection of the pipeline systems of Westcoast Energy, Inc. (Westcoast) and Northwest Pipeline Corporation (Northwest) near Sumas, Washington.

Order 452 was predicated on a November 1, 1990, gas purchase agreement between Cascade and Mobil Canada which contains a provision to automatically extend the contract for periods of two years beyond the original term. The pricing and other provisions in the agreement will remain the same during the extension period. As currently authorized, the contract price contains a monthly demand charge (covering the toll charges of Westcoast), a commodity charge, and a reservation fee. The commodity charge is adjusted monthly based on a

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> 1 FE ¶ 70,381 (November 20, 1990).

formula consisting of four components: the B.C. Gas Inc. residential gas price at the wellhead,<sup>3/</sup> the price for No. 6 fuel oil (Bunker C) in Seattle, Washington as reported by the Bunker Fuel's Group, and the cost of gas delivered into Northwest's system at the Canadian border and in the Rocky Mountains as published in *Inside FERC's Gas Market Report*. Each of these components has a 25 percent weight.

## 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 two-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 12,000 Mcf per day of natural gas, not exceeding a total of 42.2 Bcf annually, beginning on November 1, 2000, and extending through October 31, 2002.

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<sup>3/</sup> B.C. Gas Inc. is a local distribution company in British Columbia.

B. This natural gas may be imported at Sumas, Washington, consistent with the terms of the authorization conferred by DOE/FE Opinion and Order No. 452 and Cascade's gas purchase agreement with Mobil Oil Canada, Ltd., dated November 1, 1990.

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, the average purchase price of gas per MMBtu at the international border, and the per unit (MMBtu) demand/commodity/reservation fee breakdown of the price. [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.

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