

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SEMPRA ENERGY SOLUTIONS

FE DOCKET NO. 01-10-NG

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

DOE/FE ORDER NO. 1672

MARCH 13, 2001

I. DESCRIPTION OF REQUEST

On March 9, 2001, Sempra Energy Solutions (SES) 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 authority to import up to 100 billion cubic feet (Bcf) of natural gas from Canada. The term of the authorization will be for two years beginning on April 15, 2001, and extending through April 14, 2003. SES is a California corporation which has its principal place of business in San Diego, California. It is engaged in the retail sale of natural gas and gas transportation services to commercial and industrial customers throughout the United States. The gas will be imported from a variety of Canadian suppliers on a month-to-month, spot-market basis or under longer-term arrangements of up to two years. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by SES 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 SES 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.

ORDER

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

A. Sempra Energy Solutions (SES) is authorized to import up to 100 Bcf of natural gas from Canada over a period of two years beginning on April 15, 2001, and extending through April 14, 2003. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, SES 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. 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, SES must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports will also provide the details of each import transaction, including: (1) the name of the seller; (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter; (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. The reports required by Ordering Paragraph B of this Order 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2001, and should cover the period from April 15, 2001, until the end of the second calendar quarter, June 30, 2001.

Issued in Washington, D.C., on March 13, 2001.

Guido DeHoratiis
Acting Deputy Assistant Secretary for
Natural Gas & Petroleum Technology
Office of Fossil Energy