

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**AVISTA ENERGY, INC.**

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**FE DOCKET NO. 01-49-NG**

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

**DOE/FE ORDER NO. 1713**

**OCTOBER 4, 2001**

## I. DESCRIPTION OF REQUEST

On September 14, 2001, Avista Energy, Inc. (Avista Energy) 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 0204-127, for blanket authority to import up to 269 billion cubic feet (Bcf) of natural gas originating in Canada. In an order issued September 23, 1999, Avista Energy received blanket authorization to import up to 269 Bcf over a two-year term, which expires October 31, 2001.<sup>2/</sup> The proposed authorization will enable Avista Energy to continue importing for two more years beginning on November 1, 2001, under identical conditions.

Avista Energy, a corporation organized in the State of Washington, has its headquarters in Spokane, Washington. It is a wholly-owned subsidiary of Avista Capital, Inc., which in turn is wholly-owned by Avista Corporation. The parent corporation is an energy, information, and technology company which owns and operates electric generation facilities in Washington and Idaho. Its utility and subsidiary operations supply natural gas to business and residential customers in Washington, Idaho, Oregon, and California. Avista Energy is Avista Corporation's energy marketing and trading affiliate which provides electricity and natural gas to wholesale customers, as well as end-users, throughout North America. The imported volumes will be delivered at the international border near Sumas, Washington; Eastport, Idaho; Babb, Montana; and Port of Morgan, Montana. No new pipeline construction or expansion is required to support the imports.

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> See DOE/FE Order No. 1517 (2 FE ¶ 70,382).

## II. FINDING

The application filed by Avista Energy 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 importation 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 Avista Energy, 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 supply contracts with terms of no longer than two years.

## ORDER

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

A. Avista Energy, Inc. (Avista Energy) is authorized to import up to 269 Bcf of natural gas from Canada over a two-year term beginning on November 1, 2001, and extending through October 31, 2003. This gas may be imported at any international border crossing point in the United States.

B. With respect to the natural gas imports authorized by this Order, Avista Energy will file with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made during that quarter. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Avista Energy must report total monthly volumes in Mcf and the average purchase price

per MMBtu at the international border. The reports will also provide the details of each import 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 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 first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2002, and should cover the period from November 1, 2001, until the end of the fourth calendar quarter, December 31, 2001.

D. The quarterly 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, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585.

Issued in Washington, D.C., on October 4, 2001.

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Thomas W. Dukes  
Acting Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy