

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

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**BOUNDARY GAS, INC.**

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**FE DOCKET NO. 01-52-NG**

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

**DOE/FE ORDER NO. 1714**

**OCTOBER 4, 2001**

## I. DESCRIPTION OF REQUEST

On September 28, 2001, Boundary Gas, Inc. (Boundary) 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 authorization to import natural gas from, and export natural gas to, Canada. In an order issued February 8, 1999, Boundary received blanket authority to import and export up to a combined total of 60.6 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term, which expires November 19, 2001.<sup>2/</sup> The proposed authorization will enable Boundary to continue importing and exporting the same quantity for two more years beginning November 20, 2001, under identical conditions.

Boundary is a Delaware corporation with its principal place of business in Beverly, Massachusetts. It serves as a conduit or facilitating entity for the importation of natural gas from Canada on behalf of its stockholders. Boundary's stockholders are a group of natural gas distribution companies in the Northeast United States. The gas will be imported and exported under short-term and spot market arrangements. No new pipeline construction or expansion is required to support the imports and exports.

## II. FINDING

The application filed by Boundary 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

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<sup>1/</sup> 15 U.S.C. § 717B.

<sup>2/</sup> See DOE/FE Order No. 1461 (2 FE ¶ 70,298). Boundary initiated deliveries under that authorization on November 20, 1999.

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 Boundary to import and export natural gas from and 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.

### ORDER

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

A. Boundary Gas, Inc. (Boundary) is authorized to import and export a combined total of up to 60.6 Bcf of natural gas from and to Canada. The term of the authority is for two years beginning on November 20, 2001, and extending through November 19, 2003.

B. This natural gas may be imported and exported by pipeline at any crossing point on the border between the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, Boundary will 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. 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, Boundary will report the following information: (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 will also include the following additional 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.: 1901-0294]

D. The reports required by Ordering Paragraph C 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, SW., Washington, D.C. 20585.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2002, and should cover the period from November 19, 2001 until the end of the fourth calendar quarter, December 31, 2001.

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

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Thomas W. Dukes  
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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy