

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SAN DIEGO GAS & ELECTRIC COMPANY)
_____)

FE DOCKET NO. 01-70-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1733

NOVEMBER 8, 2001

I. DESCRIPTION OF REQUEST

On October 24, 2001, San Diego Gas & Electric Company (SDG&E), filed an application with the Office of Fossil Energy (FE) 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 73 billion cubic feet of natural gas from Canada over a period of two years commencing on December 1, 2001.^{2/} SDG&E is a California corporation engaged in retail distribution of natural gas and gas transportation services. SDG&E will import the natural gas under short-term sales arrangements on its own behalf. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by SDG&E 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 SDG&E 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.

2/ November 30, 2001, is the expiration date of SDG&E's import authorization granted by DOE/FE Order No. 1557 on December 21, 1999 (2 FE ¶ 70,441).

ORDER

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

A. San Diego Gas & Electric Company is authorized to import up to 73 billion cubic feet of natural gas from Canada over a period of two years commencing on December 1, 2001. 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, SDG&E shall 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, SDG&E must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic markets(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 December 1, 2001, through the end of the fourth calendar quarter, December 31, 2001.

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

Issued in Washington, D.C., on November 8, 2001.

Yvonne Caudillo
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy