

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

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NORTHWEST NATURAL GAS COMPANY) FE DOCKET NO. 02-09-NG
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**ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT
AND EXPORT NATURAL GAS FROM AND TO CANADA**

DOE/FE ORDER NO. 1760

MARCH 13, 2001

I. DESCRIPTION OF REQUEST

On March 4, 2002, Northwest Natural Gas Company (NW Natural) applied 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 authority to import and export natural gas from and to Canada. NW Natural proposes to import up to 150 billion cubic feet (Bcf) of natural gas and to export up to 150 Bcf of natural gas by means of short-term and spot market arrangements. This authorization will be for two years beginning May 1, 2002, and extending through April 30, 2004. NW Natural is an Oregon corporation with its principal place of business in Portland, Oregon. It operates as a local distribution company which sells natural gas and related services to residential, commercial and industrial customers in northwest Oregon and southwest Washington.

In DOE/FE Order No. 1589 issued May 1, 2000, NW Natural received similar authority extending from May 1, 2000, through April 30, 2002.^{2/} Granting a new authorization will enable NW Natural to continue importing and exporting natural gas for two more years under the same conditions. Once again, each sales and purchase transaction will be structured to provide for a market-based price. NW Natural will carry out these imports and exports either on its own behalf or as an agent for others. There will be no new construction or expansion of pipeline facilities.

II. FINDING

The application filed by NW Natural has been evaluated to determine if the proposed import/export 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 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

^{1/} 15 U.S.C. § 717b.

^{2/} 2 FE ¶ 70,483.

interest and must be granted without modification or delay. The authorization sought by NW Natural 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. Northwest Natural Gas Company (NW Natural) is authorized to import up to 150 Bcf of natural gas from Canada and to export up to 150 Bcf of natural gas to Canada beginning on May 1, 2002, and extending through April 30, 2004. This gas may enter and exit the United States at any international border crossing point.

B. With respect to the natural gas imports and exports authorized by this Order, NW Natural 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. Quarterly reports must be filed whether or not initial deliveries have begun. 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, NW Natural must 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 United States 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 reports will include this additional information: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) 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 July 30, 2002, and should cover the period from May 1, 2002, until the end of the second calendar quarter, June 30, 2002.

D. The reports 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 March 13, 2002.

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