

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BC GAS UTILITY LTD. )  
\_\_\_\_\_)

FE DOCKET NO. 02-60-NG

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

DOE/FE ORDER NO. 1808

SEPTEMBER 16, 2002

## I. DESCRIPTION OF REQUEST

On September 4, 2002, as supplemented on September 13, 2002, BC Gas Utility Ltd. (BC Gas) 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),<sup>1/</sup> for authorization to import up to 35 Bcf of natural gas and to export up to 35 Bcf of natural gas from and to Canada, over a two-year term beginning on December 19, 2002.<sup>2/</sup> BC Gas is a Canadian corporation with its principal place of business in Surrey, British Columbia, Canada. BC Gas is the largest natural gas distribution utility located in Western Canada, which serves over 843,000 customers, most of which are residential customers. BC Gas will import and export the natural gas under spot-market purchase and sales arrangements for its own account and as an agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

## II. FINDING

The application filed by BC Gas 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 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

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.4 (January 8, 2002).

<sup>2/</sup> BC Gas's current blanket import and export authority granted by DOE/FE Order No. 1650 (2 FE ¶ 70,568) issued on November 16, 2000, expires December 18, 2002.

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 BC Gas 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. BC Gas Utility Ltd. (BC Gas) is authorized to import up to 35 Bcf of natural gas and to export up to 35 Bcf of natural gas from and to Canada, over a two-year term beginning on December 19, 2002, and extending through December 18, 2004.

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

C. With respect to the natural gas imports and exports authorized by this Order, BC Gas shall 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, BC Gas 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 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 shall also include: (1) whether sales are being made on an interruptible or firm basis; and if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdowns of the contract price.

[OMB No.: 1901-0294]

D. The reporting requirements described in Ordering Paragraph C 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.

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 2003, and should cover the period from December 19, 2002, until the end of the fourth calendar quarter, December 31, 2002.

Issued in Washington, D.C., on September 16, 2002.

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Clifford Tomaszewski  
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Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy