

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

USGEN NEW ENGLAND, INC.)
_____)

FE DOCKET NO. 03-12-NG

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

DOE/FE ORDER NO. 1859

MARCH 20, 2003

I. DESCRIPTION OF REQUEST

On March 17, 2003, USGen New England, Inc. (USGenNE) 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/}, for authorization to import and export up to a combined total of 47.5 Bcf of natural gas from and to Canada, over a two-year term beginning on the date of issuance. USGenNE, a Delaware corporation with its principal place of business located in Bethesda, Maryland, is an indirect subsidiary of PG&E Corporation. USGenNE is engaged in the generation, transmission, and sale of electric power in the New England region. USGenNE states that it intends to supplement other domestic supplies with the gas it imports, and sell that which it does not use on the domestic market. USGenNE also indicates that it may purchase additional Canadian gas under this authority for pipeline fuel requirements and for other reasons. USGenNE also requests authority to export natural gas to Canada. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by USGenNE 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 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 USGenNE 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

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

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

A. USGenNE, Inc. (USGenNE) is authorized to import and export up to 47.5 Bcf of natural gas from and to Canada over a two-year term beginning on the date of this Order. B. This natural gas may be imported or 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, USGenNE 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, USGenNE must report the following: (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 breakdown of the contract price. [OMB No.: 1901-0294]

D. The reporting requirements described in 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 this Order is due not later than April 30, 2003, and should cover the period from the date of this Order, until the end of the first calendar quarter, March 30, 2003.

Issued in Washington, D.C., on March 20, 2003.

Clifford P. Tomaszewski
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy