

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PUGET SOUND ENERGY, INC.

FE DOCKET NO. 03-82-NG

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

DOE/FE ORDER NO. 1924

DECEMBER 4, 2003

I. DESCRIPTION OF REQUEST

On November 25, 2003, Puget Sound Energy, Inc. (PSE), 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 an authorization to import and export up to a combined total of 75 billion cubic feet (Bcf) of natural gas from and to Canada over a period of two years beginning on December 6, 2003.^{2/} PSE, a Washington corporation, is a subsidiary of Puget Energy, Inc. PSE is a public service company furnishing electric and natural gas service in the State of Washington. PSE will import and export the natural gas under spot and short-term purchase transactions, either on its own behalf or as the agent for others. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by PSE 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 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 PSE 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.

1/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

2/ December 5, 2003, is the expiration date of PSE's import authorization granted by DOE/FE Order No. 1746 on December 5, 2001 (2 FE ¶ 70,702), and as amended by DOE/FE Order No. 1746-A on August 21, 2002 (2 FE ¶ 70,774).

ORDER

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

A. Puget Sound Energy, Inc. (PSE) is authorized to import and export up to a combined total of 75 billion cubic feet (Bcf) of natural gas from and to Canada over a period of two years beginning on December 6, 2003, and extending through December 5, 2005. 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 and exports authorized by this Order, PSE 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, PSE must report the following information: (1) total monthly volumes in Mcf; (2) the average 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; (8) the geographic markets(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]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than January 30, 2004, and should cover the period from December 6, 2003, through the end of the fourth calendar quarter, December 31, 2003.

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 December 4, 2003.

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Office of Natural Gas & Petroleum
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