

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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TERASEN GAS INC. )  
(Formerly BC Gas Utility Ltd.) )  
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DOCKET NO. 04-52-NG

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

DOE/FE ORDER NO. 1989

JUNE 1, 2004

## I. DESCRIPTION OF REQUEST

On May 13, 2004, Terasen Gas Inc. (TGI) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for authorization to import for re-export up to 8 billion cubic feet of natural gas from and to Canada, over a term that began on May 1, 2004, and will extend through March 31, 2005. This gas will be stored at the Jackson Prairie Storage Field at Chehalis, Washington, under its Gas Supply Deferred Exchange Agreement dated September 28, 1999, with Puget Sound Energy, Inc. The TGI is a Canadian corporation with its principal place of business in Surrey, British Columbia, Canada.

## II. FINDING

The application has been evaluated to determine if the proposed import for re-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 TGI 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.

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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 Redelegation Order No. 00-002.4 (January 8, 2002).

## ORDER

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

A. Terasen Gas Inc. (TGI) is authorized to import and export up to 8 billion cubic feet of natural gas from and to Canada, under the terms of TGI's Gas Supply Deferred Exchange Agreement with Puget Sound Energy, Inc. The term of the authority began on May 1, 2004, and extends through April 30, 2005.

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

C. With respect to the natural gas imports and exports authorized by this Order, TGI shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports and 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 have occurred, the report must give details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (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; (8) the geographic market(s) served; and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than July 30, 2004, and should cover the period from May 1, 2004, until the end of the second calendar quarter, June 30, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on June 1, 2004.

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