

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY  
U.S. DEPARTMENT OF ENERGY

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CASCADE NATURAL GAS CORPORATION )  
\_\_\_\_\_)

FE DOCKET NO. 04-107-NG

ORDER GRANTING LONG-TERM AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2046

NOVEMBER 16, 2004

## I. DESCRIPTION OF REQUEST

On October 21, 2004, Cascade Natural Gas Corporation (Cascade) 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> and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import from Canada up to 20,000 Mcf of natural gas per day (up to approximately 7.3 Bcf annually). The term of the authorization would begin November 1, 2004, and extend through November 1, 2008. Cascade is a Washington corporation engaged in the retail sale of natural gas in the States of Washington and Oregon.

Cascade will purchase the gas from Nexen Marketing (Nexen) under the terms of a Gas Transaction Agreement (Agreement) with Nexen.<sup>2/</sup> The gas would be imported near Sumas, Washington, at the interconnect of Duke Energy Transmission (Duke) and Northwest Pipeline Corporation, with an alternate point of delivery at the interconnection between Duke and Cascade near Sumas, Washington. The requested authorization will not require the construction of new pipeline facilities.

The price of the gas under the Agreement is a market-sensitive index price based at the Alberta Energy Company Hub plus \$0.035 per unit. Additionally, the price contains a Canadian transport price at the currently effective tariff rate on Duke and Nova pipelines. The index price changes monthly based on industry surveys and as reported in the *Canadian Gas Price Reporter*.

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> On August 1, 2004, Nexen was assigned the supply Agreement which had been originally been agreed upon with Engage Energy Canada, L.P. The effective date of the Agreement is November 1, 2003. Cascade began importing this natural gas under its authorization in DOE/FE Order 664 (September 9, 1992).

## II. FINDING

The application filed by Cascade has been evaluated to determine if the proposed import 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 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 Cascade to import natural gas from 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.

### ORDER

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

A. Cascade Natural Gas Corporation (Cascade) is authorized to import up to 20,000 Mcf of natural gas per day from Canada in accordance with the “ Gas Transaction Agreement” between Cascade and Nexen Marketing, dated August 1, 2004. This natural gas may be imported from Canada near Sumas, Washington, or at alternative international border points with transportation facilities accessible by Cascade.

B. The term of this authorization began November 1, 2004, and extends through November 1, 2008.

C. With respect to the natural gas imports authorized by this Order, Cascade shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been

made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Cascade must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border. Whenever imports have occurred at an entry point other than Sumas, Washington, these volumes and prices must be reported separately. In addition, Cascade shall provide to the extent possible, a breakdown of the import volume showing the amount sold in each state to each of its customers.

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from November 1, 2004, until the end of the fourth calendar quarter, December 31, 2004.

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

Issued in Washington, D.C., on November 10, 2004.



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Manager, Natural Gas Regulatory Activities  
Office of Global Supply and Security  
Office of Fossil Energy