

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CASCADE NATURAL GAS CORPORATION

)
) FE DOCKET NO. 10-06-NG
)

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

DOE/FE ORDER NO. 2749

FEBRUARY 12, 2010

I. DESCRIPTION OF REQUEST

On January 13, 2010, Cascade Natural Gas Corporation (Cascade) 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 long term authorization to import up to a total of 4.3 billion cubic feet (Bcf) of natural gas from Canada. The term of the authorization would begin the date the Order is issued by FE, and extend through October 31, 2014. Cascade is a Washington corporation with its principal place of business in Seattle, Washington.

Cascade is a public utility engaged in the distribution and sale of natural gas to approximately 250,000 customers in 96 cities and towns located in Washington and Oregon. Cascade will purchase the gas from IGI Resources, Inc. (IGI) under the terms of a Base Contract for Sale and Purchase of Natural Gas (Base Contract) with IGI, and a Transaction Confirmation with IGI. Cascade will receive the gas at a point on the U.S./Canadian border near Kingsgate, British Columbia, and will deliver the gas in the United States to its distribution system on the interstate pipeline systems of Gas Transmission Northwest Corporation and Northwest Pipeline GP. The requested authorization will not require the construction of new pipelines.

¹ 15 U.S.C. § 717b. The authority to review the application is delegated to the Assistant Secretary for FE pursuant to Redefinition Order No. 00.002.04D (November 6, 2007).

II. FINDING

The application 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 and export of natural gas, including liquefied natural gas (LNG), from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are 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 is authorized to import up to a total of 4.3 Bcf of natural gas from Canada in accordance with the Base Contract with IGI, dated November 1, 2004, and the Transaction Confirmation with IGI, dated October 14, 2009. The term of this authorization shall be effective beginning on February 12, 2010, and extending through October 31, 2014.

B. Cascade will receive the gas at a point on the U.S./Canadian border near Kingsgate, British Columbia, and will deliver the gas in the United States to its distribution system on the interstate pipeline systems of Gas Transmission Northwest Corporation and Northwest Pipeline GP.

C. **Monthly Reports:** With respect to the natural gas imports and exports authorized by this Order, Cascade shall file with the Office of Natural Gas Regulatory Activities, within 30

days following the last day of each calendar month, a report indicating whether imports of natural gas have been made. Monthly 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 month must be filed. If imports of natural gas have occurred, the report must give the following details: (1) country of origin; (2) the point of entry; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); (7) the estimated or actual duration of the supply agreements(s), and (8) the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)). [OMB No. 1901-0294]

D. The first monthly report required by this Order is due not later than March 30, 2010, and should cover the reporting period from February 12, 2010, through February 28, 2010.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on February 12, 2010.



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