UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

VERMONT GAS SYSTEMS, INC.)	FE DOCKET NO. 95-88-NG

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

DOE/FE ORDER NO. 1112

NOVEMBER 1, 1995

I. DESCRIPTION OF REQUEST

On October 13, 1995, Vermont Gas Systems, Inc. (Vermont Gas) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),1/ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to 20 billion cubic feet (Bcf) of natural gas and export up to 20 Bcf of natural gas from and to Canada over a two-year term beginning on the date of the first import or export after December 22, 1995.2/ Vermont Gas, a Vermont corporation, is a local distribution company whose principal place of business is located in South Burlington, Vermont. Vermont Gas will import and export the natural gas under spot and short-term purchase arrangements, either on its own behalf for system supply or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Vermont Gas 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.

1/ 15 U.S.C. 717b.

2/ This is expiration date of Vermont Gas' blanket authorization to import and export natural gas from and to Canada granted in

DOE/FE Opinion and Order No. 853 on September 30, 1993 (1 FE 70,857).

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 Vermont Gas 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

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

A. Vermont Gas Systems, Inc. (Vermont Gas) is authorized to import up to 20 Bcf of natural gas and export up to 20 Bcf of natural gas from and to Canada over a two-year term beginning on the date of first import or export after December 22, 1995. This natural gas may be imported or exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Vermont Gas shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal

Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Vermont Gas shall file with OFP, within 30 days following each calendar quarter, quarterly 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, Vermont Gas 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 United States 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1996, and should cover the period from December 23, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on November 1, 1995.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy