UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

PACIFIC GAS AND ELECTRIC COMPANY ELECTRIC SUPPLY BUSINESS UNIT	FE DOCKET NO. 95-91-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1118

NOVEMBER 13, 1995

I. DESCRIPTION OF REQUEST

On October 20, 1995, as supplemented October 31, 1995, Pacific Gas and Electric Company (PG&E), 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, on behalf of its Electric Supply Business Unit (ESBU), requesting blanket authorization to import up to 365 Bcf of natural gas from Canada. The term of the authorization would be for two years beginning on the date of the first delivery after December 31, 1995.2/

PG&E/ESBU requests authority to import gas for use in fossil-fueled electric generating plants owned by PG&E, a California corporation and public utility regulated by the California Public Utilities Commission. PG&E is principally engaged in the business of local transmission and distribution of natural gas, and the generation, local transmission, and distribution of electricity. PG&E/ESBU would use the imported gas to meet its principal responsibility within PG&E for the generation and distribution of electricity for sale in northern and central California. PG&E/ESBU would import the gas at the international border near Kingsgate, British Columbia, under short-term and spot market transactions. The gas would be transported from

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

2. This is the expiration date of PG&E/ESBU's existing blanket import authorization granted by DOE/FE Order No. 851 dated September 30, 1993 (1 FE 70,855), as amended by Order No. 851-A dated September 30, 1994 (1 FE 71,024).

Kingsgate by Pacific Gas Transmission Company to PG&E's local distribution facilities in California.

II. FINDING

The application filed by PG&E/ESBU 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 importation 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 PG&E/ESBU 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. 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. Pacific Gas and Electric Company, Electric Supply Business Unit (PG&E/ESBU) is authorized to import from Canada up to 365 Bcf of natural gas over a two-year term beginning on the date of first delivery after December 31, 1995. The gas may be imported at any U.S./Canada border point.

B. Within two weeks after deliveries begin, PG&E/ESBU shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, PG&E/ESBU shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly 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 have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, PG&E/ESBU must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) 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 April 30, 1996, and should cover the period from January 1, 1996, until the end of the first calendar quarter, March 31, 1996.

Issued in Washington, D.C., on November 13, 1995.

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