

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

PAN-ALBERTA GAS (U.S.) INC.

(Successor to Northwest Alaskan Pipeline Company)

ERA DOCKET NO. 84-15-NG

ERA DOCKET NO. 87-40-NG

FE DOCKET NO. 94-96-NG

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

DOE/FE ORDER NO. 1009-A

Pursuant to DOE/FE Order No. 1009 (Order 1009)<sup>(1)</sup>, issued December 9, 1994, Northwest Alaskan Pipeline Company (Northwest Alaskan) currently is authorized to import up to 300,000 Mcf of natural gas per day on an average annual daily basis (240,000 Mcf per day on a firm basis and 60,000 Mcf per day on an interruptible basis).<sup>(2)</sup> The term of the authorization expires October 31, 2003. The gas is imported from Pan-Alberta Gas Ltd. (Pan Alberta) and sold to Pacific Interstate Transmission Company (PITCO) at the international border near Eastport, Idaho/Kingsgate, British Columbia. The gas is transported in the United States through the Western Leg of the Alaskan Natural Gas Transportation System and resold by PITCO to Southern California Gas Company (SoCalGas). Northwest Alaskan is a Delaware corporation with its principal place of business in Tulsa, Oklahoma.

On June 9, 1998, Northwest Alaskan filed an application requesting that the import authorization granted by Order 1009, *et al.*, be transferred to Pan-Alberta Gas (U.S.) Inc. (PAG-US). Pan-Alberta, Northwest Alaskan, and PITCO have agreed to restructure their arrangements regarding the purchase, sale, and transportation of the gas. Under the restructured arrangements, Pan-Alberta, Northwest Alaskan, and PITCO have, among other things, agreed to assign to PAG-US, all of Northwest Alaskan's rights and obligations under its gas purchase contract with Pan-Alberta, as amended. In addition, Northwest Alaskan's related sale to PITCO and PITCO's related sale to SoCalGas will be terminated. PAG-US will enter into a new contract directly with SoCalGas for the sale of a portion of the gas being imported under this authorization

Implementation of the restructuring will require certain other U.S. and Canadian regulatory authorizations. The parties intend that all agreements, approvals, etc., necessary to implement this restructuring should become effective contemporaneously, and that none should become effective unless all become effective. In furtherance of this goal, Northwest Alaskan, Pan-Alberta, PITCO, PAG-US, and any other appropriate party will execute a Closing Agreement by September 30, 1998.

Accordingly, pursuant to section 3 of the Natural Gas Act, the import authorization conferred by DOE/FE Order No. 1009 *et al.*, is transferred from Northwest Alaskan to PAG-US, effective on the date the Closing Agreement is signed. Northwest Alaskan will inform the Office of Fossil Energy of the Department of Energy, in writing, of the exact closing date promptly after the closing occurs. The notification shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington D.C. 20585-0334. PAG-US shall be bound by all terms and conditions set forth in Order 1009, *et al.* In addition to the terms and conditions in Order 1009, *et al.*, PAG-US also shall file with FE in its quarterly reports the monthly quantities of imported gas in Mcf supplied to SoCalGas and the average international border price, on an MMBtu basis, paid by SoCalGas for these supplies. With regard to other future customers supplied by these imports, PAG-US shall report quarterly the name of the purchaser(s); the monthly average aggregate international border price, on an MMBtu basis; the volumetric (Mcf) breakdown by purchaser(s); and the geographic market(s) served by State.

Issued in Washington, D.C., on June 25, 1998.

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John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

## Import and Export Activities

### Office of Fossil Energy

1. 1/ FE Docket No. 94-96-NG (1 FE ¶ 71,061).

2. 2/ Northwest Alaskan Pipeline Company, DOE/ERA Opinion and Order No. 68, Docket No. 84-15-NG, 1 ERA ¶ 70,580 (December 13, 1984) and DOE/ERA Opinion and Order No. 272, Docket No. 87-40-NG, 1 ERA ¶ 70,813 (September 30, 1988).