

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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CASCADE NATURAL GAS CORPORATION ) FE DOCKET NO. 93-50-NG  
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ORDER GRANTING LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 810

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JUNE 22, 1993

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I. DESCRIPTION OF REQUEST

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On May 10, 1993, as supplemented June 14, 1993, 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>, requesting authorization to import up to 5,000 MMBtu (approximately 4,864 Mcf) of natural gas per day from Canada. The term would begin on the date of first delivery and end October 31, 1996. Cascade, a Washington corporation with its principal place of business in Seattle, is a public utility engaged in the distribution and sale of natural gas in the States of Washington and Oregon. The gas would be purchased from Canadian Hydrocarbons Marketing, Inc. (CHMI) and imported at a point on the U.S./Canada border near Sumas, Washington, which is the interconnection of the pipeline systems of Westcoast Energy, Inc. (Westcoast) and Northwest Pipeline Corporation. The requested authorization does not involve the construction of new pipeline facilities.

Cascade's gas supply contract with CHMI was executed November 1, 1990, and expires October 31, 1996. In July 1992, Cascade began importing gas pursuant to this contract under Cascade's existing blanket import authorization granted by DOE on June 18, 1991.<sup>2/</sup> The price Cascade pays CHMI is comprised

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

2 See DOE/FE Opinion and Order No. 511 (1 FE 70,457).

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Order 511 expires June 30, 1993. Cascade noted that on December 19, 1991, CHMI received Canadian regulatory approval from the  
(continued...)

of: (1) the commodity and demand tolls for transportation on Westcoast; (2) a commodity charge of \$1.08 per MMBtu as of November 1, 1990; (3) a supply reservation fee of \$0.30 per MMBtu as of November 1, 1990; and (4) a fuel gas charge to indemnify Westcoast for gas consumed in transporting the volumes purchased by Cascade.<sup>3/</sup> The commodity charge and reservation fee are subject to annual redetermination. Cascade states that it currently is purchasing this gas from CHMI at a total price of \$1.64 per MMBtu.

Cascade has no obligation to purchase a minimum daily quantity. However, the reservation fee must be paid by Cascade each month regardless of the amount of gas purchased. Also, if Cascade takes less than 55 percent of the contract quantity in a year, then CHMI may reduce the daily contract quantity.

## II. FINDING

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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 importation of natural gas from a nation

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2 (...continued)

Minister of Energy Mines and Petroleum Resources of the Province of British Columbia to remove gas from British Columbia for sale to Cascade, effective February 1, 1992, through January 31, 1994. Although CHMI's Energy Removal Certificate expires January 31, 1994, CHMI filed an application to extend its authorization through October 31, 1996.

3 Prices are in U.S. dollars.

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

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

A. Cascade Natural Gas Corporation (Cascade) is authorized to import from Canada at Sumas, Washington, up to 5,000 MMBtu (approximately 4,864 Mcf) of natural gas per day from Canadian Hydrocarbons Marketing, Inc. (CHMI) for a term beginning on the date of this authorization through October 31, 1996. Cascade shall import this gas pursuant to the pricing and other provisions of its gas purchase agreement with CHMI dated November 1, 1990, as amended.

B. Cascade shall notify the Office of Fuels Programs, Fossil Energy, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date of initial deliveries of natural gas imported under Ordering Paragraph A above within two weeks after deliveries begin.

C. With respect to the natural gas imports authorized by this order, Cascade shall file, within 30 days following each

calendar quarter, quarterly reports indicating whether imports have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Cascade must report the monthly total volume in Mcf and the average purchase price per MMBtu at the international border. The price information shall itemize separately: (1) the tolls for transportation on Westcoast Energy, Inc.; (2) the commodity charge; (3) the reservation fee; and (4) the fuel gas charge.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than July 30, 1993, and should cover the period from the date of this order through the end of the second calendar quarter, June 30, 1993.

Issued in Washington, D.C., on June 22, 1993.

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Anthony J. Como  
Acting Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy