

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

VERMONT GAS SYSTEMS, INC.

FE DOCKET NO. 91-54-NG

ORDER AMENDING LONG-TERM AUTHORIZATION

TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 550-B

On January 26, 1998, Vermont Gas Systems, Inc. (Vermont Gas) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act⁽¹⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, to amend its long-term import authorization to reduce the maximum daily volume of natural gas. DOE/FE Opinion and Order No. 550⁽²⁾, issued November 26, 1991, authorized Vermont Gas to import up to 32,000 Mcf per day of natural gas from TransCanada Gas Marketing Limited (TransCanada) through October 31, 2006.

On December 14, 1995, DOE issued DOE/FE Order No. 550-A⁽³⁾ reducing the daily contract volume (DCV) from 32,000 to 21,000 Mcf per day of natural gas in accordance with an April 1995 amended supply contract between Vermont Gas and TransCanada.⁽⁴⁾ That contract provided each party with a one-time right to reduce the DCV. Both parties have exercised this right to reduce the DCV from 21,000 to 11,000 Mcf per day of natural gas effective November 1, 1998. The termination date and other provisions of the gas sales contract remain unchanged.

Under section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), 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 related applications must be granted without modification or delay. The Vermont Gas application to amend its current authority to import natural gas produced in Canada 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. DOE/FE Opinion and Order No. 550 and Order No. 550-A (Order 550 and 550-A), issued to Vermont Gas Systems, Inc. (Vermont Gas) on November 26, 1991, and December 14, 1995, respectively, are further amended to reduce from 21,000 Mcf per day to 11,000 Mcf per day the volume of natural gas Vermont Gas is authorized to import from TransCanada Gas Marketing Limited pursuant to their long-term gas sales agreement, the reduction to take effect November 1, 1998.

B. All other terms and conditions of the import authorization contained in Orders 550 and 550-A shall remain in full force and effect.

Issued in Washington, D.C., on February 10, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

2. 2/ 1 FE ¶ 70,501.

3. 3/ 1 FE ¶ 71,210.

4. 4/ In 1995, Western Gas Marketing Limited merged with TransCanada Pipelines Limited and renamed the merged companies TransCanada Gas Marketing Limited. The long-term contract between Vermont Gas and TransCanada remains in full force and effect.