

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

AVISTA CORPORATION

FE DOCKET NO. 02-57-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1806

SEPTEMBER 4, 2002

I. DESCRIPTION OF REQUEST

On August 26, 2002, Avista Corporation (Avista), filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import up to 100 billion cubic feet of natural gas from Canada over a period of two years beginning on June 26, 2002, and extending through June 25, 2004.^{2/} Avista is a Washington State corporation with its principal place of business in Spokane, Washington. Avista owns and operates electric power generation, transmission and distribution facilities in eastern Washington and northern Idaho. Avista also provides natural gas service, at retail, to customers within the states of Washington, Idaho, Oregon and California. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Avista 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 import 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 Avista 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

1/ 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redlegation Order No. 00-002.04 (January 8, 2002).

2/ June 25, 2002, was the expiration date of Avista's previous import authorization granted by DOE/FE Order No. 1608 on July 3, 2000 (2 FE ¶ 70,511).

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. Avista Corporation (Avista) is authorized to import up to 100 billion cubic feet of natural gas from Canada over a period of two years beginning on June 26, 2002, and extending through June 25, 2004. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, Avista shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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 of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Avista must report total monthly volumes in Mcf and the average purchase price of gas 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 United States transporter(s); (5) the point(s) of entry; (6) the geographic markets(s) served (by state); (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.

[OMB No.: 1901-0294]

C. The first quarterly report required by Ordering Paragraph B of this Order is due not later than July 30, 2002, and should cover the period from June 26, 2002, through the end of the second calendar quarter, June 30, 2002.

D. The reports required by Ordering Paragraph B of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S. W., Washington, D.C., 20585.

Issued in Washington, D.C., on September 4, 2002.

Clifford P. Tomaszewski
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