

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

CASCADE NATURAL GAS CORPORATION)

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FE DOCKET NO. 04-121-NG

ORDER GRANTING AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2051

DECEMBER 6, 2004

I. DESCRIPTION OF REQUEST

On November 23, 2004, 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),^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import from Canada up to .5 billion cubic feet per year for a five-year term beginning December 1, 2004, and extending through February 28, 2009. Cascade is a Washington corporation engaged in the retail sale of natural gas in the States of Washington and Oregon.

Cascade will purchase the gas from IGI Resources, Inc. (IGI) under the terms of a Base Contract for Sale and Purchase of Natural Gas (Agreement). The gas would be imported near Kingsgate, British Columbia, at the interconnect of TransCanada Pipeline Canada and Gas Transmission Northwest. The requested authorization will not require the construction of new pipeline facilities.

The price of the gas under the Agreement is a market-sensitive index price equal to the monthly index price for AECO/NIT deliveries (U.S.) per MMBtu as published in the *Canadian Gas Price Reporter* plus \$0.0125 to \$0.0200 (U.S.) per MMBtu per heating season as specified in the Agreement.

II. FINDING

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 import of natural gas from a nation with which there is in effect a free trade agreement requiring national

^{1/} 15 U.S.C. § 717b.

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

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

A. Cascade Natural Gas Corporation (Cascade) is authorized to import up to .5 billion cubic feet of natural gas per year from Canada in accordance with the "Base Contract for Sale and Purchase of Natural Gas" between Cascade and IGI Resources, Inc. This natural gas may be imported from Canada near Kingsgate, Canada, or at alternative international border points with transportation facilities accessible by Cascade.

B. The term of this authorization began December 1, 2004, and extends through February 28, 2009.

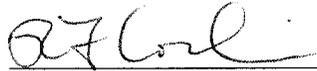
C. With respect to the natural gas imports authorized by this Order, Cascade shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not 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, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the purchaser(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served by State; and,

if applicable, (7) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from December 1, 2004, until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 6, 2004.



R. F. Corbin
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Office of Global Supply and Security
Office of Fossil Energy