

Cited as "1 ERA Para. 70,557"

Great Lakes Gas Transmission Company (ERA Docket No. 78-011-NG), July 11, 1979

Order Granting Request of Great Lakes Gas Transmission Company to Amend Existing Authorizations in Order to Import Additional Volumes of Natural Gas from Canada

Great Lakes Gas Transmission Company (Great Lakes) filed an application on December 5, 1978, with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) requesting an amendment to its existing natural gas import authorizations in Docket Nos. CP66-112, CP70-20, and CP71-223. The amendment would allow Great Lakes to import up to 18 billion cubic feet (Bcf) of natural gas which was previously authorized for import, but not delivered to Great Lakes and which cannot be made up due to annual and daily restrictions in the export licenses of TransCanada Pipelines Limited (TransCanada) and in Great Lakes' import authorizations.

Great Lakes seeks to import the natural gas during the period commencing with the date on which authorization is received and extending through October 31, 1980.

Great Lakes filed a supplement to its application on May 11, 1979, which requests authorization of the border price for imports of natural gas from Canada of \$2.30 (U.S.) per million British thermal units (MMBtu) as set by the Canadian National Energy Board (NEB) and approved by ERA order issued April 30, 1979. (Great Lakes' original application, filed December 5, 1978, had reflected the then current border price of \$2.16 (U.S.) per MMBtu).

The NEB License Nos. GL20 and GL37, dated December 12, 1978, issued to TransCanada, permit the export of 18 Bcf of natural gas to be delivered to Great Lakes, but extend only through October 31, 1979. Great Lakes states that it has been informed by TransCanada, however, that the latter will seek an appropriate extension of such authorizations through October 31, 1980.

On December 18, 1978, ERA issued a notice of receipt of Great Lakes' application and asked that comments, petitions for intervention, and requests for hearing be submitted (43 FR 60190, December 24, 1978).

On January 29, 1979, Northern Natural Gas Company petitioned for leave to intervene, as did Natural Gas Pipeline Company of America. Tennessee Gas Pipeline Company filed a petition for leave to intervene out of time on

February 14, 1979. ERA granted the petitions of the first two companies in an order issued on February 15, 1979, and that of the third company in an order issued on March 21, 1979. There have been no subsequent filings in the proceeding other than the supplement to Great Lakes' application which already has been mentioned.

ERA received no comments in opposition to the application, and the three petitions for intervention which ERA received did not request a hearing but did express support for the application.

Great Lakes asserts that the proposed imports of natural gas: (1) are consistent with current DOE policies encouraging the use of natural gas to reduce reliance on imported petroleum; (2) will be effected in the short term period for which such policies were primarily intended; (3) will be purchased at the existing border price of \$2.30 (U.S.) per MMBtu to which ERA already has given its approval in other import authorizations; (4) will be delivered on an interruptible basis as governed by customer demand in the U.S.A., thereby providing flexibility in meeting sales and storage injection requirements of such customers; (5) have elicited no objections, requests for hearing, or statements that their approval would not be inconsistent with the public interest; and (6) can be effected using the economies of existing pipeline capacity without the construction of any additional pipeline facilities.

ERA finds that the arguments of Great Lakes outlined above have merit, and finds nothing to indicate that the imports as proposed would be inconsistent with the public interest. Accordingly, pursuant to Section 3 of the Natural Gas Act, Sections 301 and 402 of the Department of Energy Organization Act, and DOE Delegation Order No. 0204-25 (43 FR 47769, October 17, 1978), ERA hereby grants to Great Lakes Gas Transmission Company the authority to import up to 18 Bcf of natural gas from Canada at \$2.30 (U.S.) per MMBtu, as requested in the application filed by Great Lakes in this docket and subject to further approval by the NEB, for a period commencing with the date of issue of this Order and extending not later than October 31, 1980.

Issued in Washington, D.C., on July 11, 1979.