

Cited as "1 ERA Para. 70,553"

Northern Natural Gas Company, Division of InterNorth, Inc. (ERA Docket No. 82-09-NG), January 28, 1983

DOE/ERA Opinion and Order No. 48A

Order Denying Petition for Rehearing and Clarifying DOE/ERA Opinion and Order No. 48

### Discussion

Pursuant to authority under section 3 of the Natural Gas Act (NGA), on November 30, 1982, the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) issued DOE/ERA Opinion and Order No. 48 (Order 48) in ERA Docket No. 82-09-NG amending the existing authorization of Northern Natural Gas Company, Division of InterNorth, Inc. (Northern), to import Canadian natural gas purchased from Consolidated Natural Gas Limited (Consolidated). Order 48 increased Northern's maximum daily volume limitation by 100,000 Mcf per day for the period November 30, 1982, through March 31, 1983, permitting Northern to import at a point near Emerson, Manitoba, a total volume of up to 300,000 Mcf per day, less any volumes it elects to import at Monchy, Saskatchewan, under a separate order issued by the Federal Energy Regulatory Commission.<sup>1/</sup> Under section 19(a) of the NGA and section 1.34 of the FERC's Rules of Practice and Procedure,<sup>2/</sup> applications for rehearing of an order may be filed within 30 days of its issuance.

On December 30, 1982, Valero Transmission Company (Valero) filed a petition for rehearing of Order 48, alleging that the ERA erred in two respects. First, Valero asserts the ERA failed to meet the requirements of section 3 of the NGA because it did not evaluate Northern's need for an increase in its daily volume limitation during the period November, 1982, through March, 1983. Valero makes two assertions which, it argues, require the ERA to reevaluate the issue of Northern's need for this gas: (1) there is no national or regional need for the additional 100,000 Mcf per day Northern requests authorization to import this winter; and (2) Northern's importation of the additional volumes may result in off-system sales in Texas, to the detriment of Valero and the Texas intrastate gas market. Valero's second basis for requesting a rehearing is its allegation that the ERA erred in denying its earlier request for a hearing on these issues. Accordingly, Valero requests that the ERA either grant rehearing of Order 48 and deny Northern's application or, alternatively, commence a hearing on the issues of need and the impact to Valero of any off-system sales resulting from this authorization.

Following a thorough review of Valero's petition, the ERA has determined, for the reasons set forth below, to deny Valero's request for rehearing. However, based on this review, the ERA also has determined to clarify Order 48, which clarification may obviate Valero's concerns.

With respect to Valero's petition for rehearing of Order 48, the ERA has determined that none of the matters raised therein are new to this proceeding. The issues Valero raises in its petition for rehearing are the same as it raised in its petition for intervention, and were fully addressed by the ERA in Order 48. Further, Valero's petition for rehearing presents no new factual information that would merit reconsideration of our findings in Order 48. Accordingly, Valero's petition for rehearing and its alternate request for a hearing are denied.

As earlier stated, the ERA also wishes to clarify Order 48. Our review of Valero's petition indicates it may have interpreted Order 48 as permitting Northern to sell the increased volumes off-system. This was not our intent. In Order 48, we stated that, since the increased volumes were not subject to take-or-pay requirements, it was our expectation that "Northern would not ask Consolidated for more of this gas than it can sell." 3/ Accordingly, Order 48 only authorizes Northern to use these increased volumes for general system supply to existing customers.

#### Order

For the reasons set forth above, pursuant to section 3 of the Natural Gas Act, the ERA hereby orders:

The Petition for Rehearing of Valero Transmission Company is hereby denied.

Issued in Washington, D.C. on January 28, 1983.

#### --Footnotes--

1/ The FERC's authorization of the Monchy import is further explained in Order 48 (mimeo at p. 1, order unpublished as of this date).

2/ The ERA follows the FERC's Rules of Practice and Procedure, 18 CFR Sec. 1, et seq., that were in effect on October 1, 1977.

3/ Mimeo at p. 8.