

Cited as "1 ERA Para. 70,561"

Border Gas, Inc. (ERA Docket No. 79-31-NG), Boundary Gas, Inc. (ERA Docket No. 81-04-NG), Distrigas Corporation (ERA Docket Nos. 77-011-LNG, 82-13-LNG), Gas Service, Inc., Manchester Gas Company (ERA Docket No. 81-22-LNG), Great Lakes Gas Transmission Company (ERA Docket Nos. 80-02-NG, 81-10-NG, 83-07-NG), Inter-City Minnesota Pipelines, Ltd. (ERA Docket Nos. 80-01-NG, 82-15-NG), Michigan Wisconsin Pipe Line Company (ERA Docket Nos. 80-04-NG, 81-18-NG, 81-34-NG), Midwestern Gas Transmission Company (ERA Docket Nos. 80-06-NG, 81-16-NG, 81-32-NG), Midwestern Gas Transmission Company, Great Lakes Gas Transmission Company (ERA Docket No. 83-08-NG), Montana Power Company (ERA Docket Nos. 80-03-NG, 81-21-NG), Natural Gas Pipeline Company of America (ERA Docket No. 82-01-NG), Natural Gas Pipeline Company of America, Michigan Wisconsin Pipe Line Company, Tennessee Gas Pipeline Company, Texas Eastern Gas Pipeline Company (ERA Docket No. 79-15-NG), Northern Natural Gas Company (ERA Docket Nos. 79-24-NG, 82-09-NG, 82-11-NG), Northwest Pipeline Corporation (ERA Docket Nos. 80-05-NG, 81-31-NG, 83-06-NG), Pacific Gas Transmission Company (ERA Docket Nos. 80-07-NG, 81-09-NG, 82-16-NG), St. Lawrence Gas Company, Inc. (ERA Docket Nos. 80-09-NG, 81-13-NG), Tennessee Gas Pipeline Company (ERA Docket Nos. 81-24-NG, 82-10-NG, 82-18-NG), Texas Eastern Gas Pipeline Company (ERA Docket Nos. 82-05-NG, 82-07-NG), Texas Gas Transmission Corporation (ERA Docket No. 82-08-NG), Transcontinental Gas Pipe Line Corp. (ERA Docket Nos. 80-14-NG, 81-29-NG, 81-30-NG), Transcontinental Gas Pipe Line Corp., Tennessee Gas Pipeline Company (ERA Docket No. 79-08-NG), Transcontinental Gas Pipe Line Corp., Algonquin Gas Transmission Company, Texas Eastern Gas Pipeline Company (ERA Docket No. 81-02-NG), Vermont Gas Systems, Inc. (ERA Docket Nos. 80-10-NG, 83-09-NG). February 16, 1984.

Order Directing Applicants With Pending Gas Import Applications to Supplement Those Applications, Directing Importers With Existing Authorizations to Report on Conformance of Arrangements With Guidelines, Providing Guidance on Alaska Natural Gas Transportation System Filings, and Terminating Suspended Proceedings.

I. Introduction

On February 15, 1984, the Secretary of Energy issued new policy guidelines and delegation orders to the Administrator of the Economic Regulatory Administration (ERA) and to the Federal Energy Regulatory Commission (FERC) relating to the authorization of imports of natural gas into the United States. The guidelines set forth a new policy designed to encourage greater participation of buyers and sellers of imported natural gas in establishing price and contract terms, and to ensure that import arrangements

result in gas being imported on a competitive and market-responsive basis.

This order initiates action to implement the new policy guidelines. It requires applicants that have pending import applications and authorization amendments before the ERA to supplement their applications. The order also requests all importers with existing authorizations to assess their current import arrangements from the standpoint of conformity with the new policy and regulatory considerations, and to report to the ERA the results of this assessment. This report should include information on modifications the importer believes would be required for the arrangement to comply fully with the policy guidelines. The order further terminates earlier proceedings involving flowing gas imports from Canada that were suspended on December 16, 1980.

II. Pending Applications

This section addresses applications to import natural gas now pending before the ERA listed in Appendix A.1/ Importers with applications for new import authorizations, or modifications or extensions of existing authorizations, now pending before the ERA on or before April 16, 1984, whether their applications meet or will require modification to meet the policy guidelines before being reviewed by the ERA. Applicants should review their pending applications to determine to what extent their proposed import arrangements are consistent with the policy guidelines and whether steps will be taken to renegotiate the contracts and amend the applications. This information should be submitted in writing and filed as a "supplement" to the application; copies should be served on all intervenors.

If importers wish the ERA to take action on pending applications, they should so state in their supplemental filings. For applicants who report that efforts will be undertaken to amend their arrangements to bring them into conformity with the guidelines, the ERA will defer further consideration until the amendments or new applications are filed. Applicants who determine not to pursue their import arrangements at this time may file notices to withdraw their current applications without prejudice to filing new applications at a later time.

III. Existing Imports

Previously authorized imports shall remain in full force and effect, unless or until they are rescinded, amended, or superseded through appropriate regulatory proceedings. The ERA will not on its own motion initiate such proceedings, unless an agreement between the United States and the government

of a gas exporting country so requires. However, consistent with the policy goals and objectives set forth in the new policy guidelines, parties of currently authorized gas import arrangements that are not fully consistent with the new guidelines are encouraged to make every effort, working with all parties to their arrangement, to bring the arrangement into conformity with the new policy.

All importers with existing authorizations listed in Appendix B should review their existing arrangements for conformity with the new policy and should determine whether the contract terms and conditions need to be modified. On or before April 16, 1984, existing importers are requested to inform the ERA by letter of the results of this review, along with information on any modifications they deem necessary to bring their arrangement into conformity with the policy guidelines. Information on steps they intend to take to remedy these deficiencies is also requested. In addition, the letter should describe the progress made during the past year in adjusting import arrangements to respond to market problems through renegotiation as well as provide information on ongoing activities of this nature.

Applications to amend existing authorizations based on contract modifications resulting from this effort will be processed on an expedited basis, with a presumption that they are in the public interest. Opposing parties will bear the burden of rebutting this presumption.

IV. ANGTS Prebuild

The authority to approve the importation of natural gas that is transported through the Alaska Natural Gas Transportation System (ANGTS)--which previously has been exercised by the FERC--was delegated to the ERA by the Secretary of Energy on February 15, 1984, through Delegation Order No. 0204-110. All future applications for NGA Section 3 authorization to import natural gas through the ANGTS should be made to the ERA. Action will be taken to transfer the Section 3 portions of cases pending before the FERC to the ERA.

Two applications filed by Texas Gas Transmission Corporation (Texas Gas) to import gas through ANGTS now pending before the FERC in Docket Nos. CP82-403-000 and CP82-418-000 will be transferred to the ERA. At the time these cases are transferred, Texas Gas will be asked to comply with section II of this order.

Northwest Alaskan Pipeline Company (Northwest Alaskan) was recently issued conditional authorizations by the FERC in Docket Nos. CP78-123-020 and

CP78-123-021 to import additional volumes of Canadian natural gas through the ANGTS for a period of time extending through October 31, 1992. The authorizations were specifically conditioned on Northwest Alaskan making a showing that the gas will be marketable and that the terms and conditions for its importation will not be inconsistent with the public interest. Since no final decision on these matters has been made, the Section 3 proceedings will be conducted by the ERA after those portions of the cases relating to Section 3 have been transferred from the FERC to the ERA. Therefore, any supplemental filing Northwest Alaskan may submit under its conditional authorizations should be made to the ERA.

V. Suspended Proceedings

A number of existing authorizations were previously the subject of ERA proceedings. Appendix C identifies these dockets. On May 15, 1980, the ERA issued DOE/ERA Opinion and Order No. 14B 2/ in Docket No. 80-01-NG, et al., which initiated proceedings to review the ERA's general import policy in nine consolidated dockets representing all the gas imports then flowing from Canada.

Similar proceedings paralleling those in Docket Nos. 80-01-NG, et al., were ordered in Transcontinental Gas Pipe Line Corporation, et al., Docket No. 79-08-NG,^{3/} and Northern Natural Gas Company, Docket No. 79-24-NG.^{4/} Further, in DOE/ERA Opinion and Order No. 24,^{5/} issued October 31, 1980, in Docket No. 80-14-NG, Transcontinental Gas Pipe Line Corporation was authorized to import natural gas from Canada by displacement, subject to such conditions as the ERA may order to conform with any policy and precedent established in Docket Nos. 80-01-NG, et al., and 79-08-NG.

On December 16, 1980, the ERA suspended further consideration of the issues in Docket Nos. 80-01-NG, et al., 79-08-NG, 79-24-NG, and 80-14-NG.

These proceedings are hereby terminated as a result of establishment of the new policy. The previously approved authorizations will remain in full effect as discussed in section III.

VI. Where to File

All filings shall be made to the Natural Gas Division Docket Room, RG-43, GA-007, Economic Regulatory Administration, 1000 Independence Avenue, S.W., Washington, D.C. 20585, between the hours of 8:00 a.m. and 4:30 p.m.

ORDER

In accordance with the new policy guidelines and delegation orders issued by the Secretary of Energy relating to natural gas imports, and for reasons set forth above, it is hereby ordered pursuant to Section 3 of the Natural Gas Act that:

A. Applicants with natural gas import authorizations pending before the ERA listed in Appendix A of this order are directed to supplement their existing applications providing the information required in section II. Supplemental filings shall be made on or before April 16, 1984.

B. All importers with existing authorizations listed in Appendix B shall review their import arrangements and report to the Administrator as discussed in section III of this order on or before April 16, 1984.

C. The suspensions initiated by four DOE/ERA orders dated December 16, 1980, Docket Nos. 80-01-NG, et al., 79-08-NG, 79-24-NG and 80-14-NG, are terminated.

D. The proceedings initiated in ordering paragraph C of DOE/ERA Opinion and Order No. 14B, dated May 15, 1980, Docket Nos. 80-01-NG, et al., and in ordering paragraph A of a DOE/ERA Prehearing Order, dated July 9, 1980, same dockets, are terminated.

E. The proceedings initiated in ordering paragraph B of DOE/ERA Opinion and Order No. 17, dated July 7, 1980, Docket No. 79-08-NG, and in ordering paragraph A of a DOE/ERA Prehearing Order, dated August 12, 1980, same docket, are terminated.

F. The proceedings initiated in ordering paragraph E of DOE/ERA Opinion and Order No. 19, dated August 29, 1980, Docket No. 79-24-NG, are terminated.

Issued in Washington, D.C., February 16, 1984.

--Footnotes--

1/ Trunkline LNG Company's import project, Docket Nos. 82-12-LNG/83-04-LNG, is not addressed in this order because of the extensive record already developed and will be subject to a separate order.

2/ 1 ERA Para. 70,508, Federal Energy Guidelines.

3/ See DOE/ERA Opinion and Order 17, issued July 7, 1980 (1 ERA Para. 70,512), and the Prehearing Order issued August 12, 1980 (order unpublished).

4/ See DOE/ERA Opinion and Order 19, issued August 29, 1980 (1 ERA Para. 70,518).

5/ 1 ERA Para. 70,523.

Appendix A
Pending Applications

COMPANY NAME	ERA DOCKET NO.
Transcontinental Gas Pipe Line Corporation	81-02-NG
Algonquin Gas Transmission Company	
Texas Eastern Gas Pipeline Company	
Transcontinental Gas Pipe Line Corporation	81-29-NG
Midwestern Gas Transmission Company	81-32-NG
Michigan Wisconsin Pipe Line Company	81-34-NG
Natural Gas Pipeline Company of America	82-01-NG
Texas Eastern Gas Pipeline Company	82-05-NG
Texas Eastern Gas Pipeline Company	82-07-NG
Texas Gas Transmission Corporation	82-08-NG
Tennessee Gas Pipeline Company	82-10-NG
Northern Natural Gas Company	82-11-NG
Distrigas Corporation	82-13-LNG
Pacific Gas Transmission Company	82-16-NG
Tennessee Gas Pipeline Company	82-18-NG
Northwest Pipeline Corporation	83-06-NG
Great Lakes Gas Transmission Company	83-07-NG

Appendix B
Existing Authorizations*/

COMPANY NAME	ERA DOCKET NO.
Border Gas, Inc.	79-31-NG
Boundary Gas, Inc.	81-04-NG
Distrigas Corporation	77-011-LNG
Gas Service, Inc.	81-22-LNG
Manchester Gas Company	
Great Lakes Gas Transmission Company	81-10-NG
Inter-City Minnesota Pipelines, Ltd.	82-15-NG
Michigan Wisconsin Pipe Line Company	81-18-NG
Midwestern Gas Transmission Company	81-16-NG
Midwestern Gas Transmission Company	83-08-NG

Great Lakes Gas Transmission Company	
Montana Power Company	81-21-NG
Natural Gas Pipeline Company of America	79-15-NG
Michigan Wisconsin Pipe Line Company	
Tennessee Gas Pipeline Company	
Texas Eastern Gas Pipeline Company	
Northern Natural Gas Company	82-09-NG
Northwest Pipeline Corporation	81-31-NG
Pacific Gas Transmission Company	81-09-NG
St. Lawrence Gas Company, Inc.	81-13-NG
Tennessee Gas Pipeline Company	81-24-NG
Transcontinental Gas Pipe Line Corp.	80-14-NG
	81-30-NG
Vermont Gas Systems, Inc.	83-09-NG

--Appendix B Footnote--

*/ The docket number represents the most recent proceeding before the ERA involving the import.

Appendix C Suspended Proceedings

COMPANY NAME	ERA DOCKET NO.
Transcontinental Gas Pipe Line Corp.	79-08-NG
Tennessee Gas Pipeline Company	
Northern Natural Gas Company	79-24-NG
Inter-City Minnesota Pipelines Ltd., Inc.	80-01-NG
Great Lakes Gas Transmission Company	80-02-NG
Montana Power Company	80-03-NG
Michigan Wisconsin Pipe Line Company	80-04-NG
Northwest Pipeline Corporation	80-05-NG
Midwestern Gas Transmission Company	80-06-NG
Pacific Gas Transmission Company	80-07-NG
St. Lawrence Gas Company, Inc.	80-09-NG
Vermont Gas Systems, Inc.	80-10-NG
Transcontinental Gas Pipe Line Corp.	80-14-NG