

Cited as "1 ERA Para. 70,626"

Amtran Gas Transmission, Inc. (ERA Docket No. 85-37-NG), January 30, 1986.

DOE/ERA Opinion and Order No. 108

Order Granting Blanket Authorization to Import Natural Gas from Canada

I. Background

On December 4, 1985, Amtran Gas Transmission, Inc. (Amtran), a wholly-owned subsidiary of Diamond Shamrock Exploration Company, filed an application with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE), pursuant to Section 3 of the Natural Gas Act (NGA), for blanket authorization to import up to 200 MMcf of Canadian natural gas per day and a maximum of 100 Bcf during a two-year period, beginning on the date of first delivery.

Amtran proposes to import and market natural gas produced by its affiliate, Diamond Shamrock Exploration of Canada, as well as to act as a purchaser-reseller and a marketer of other gas supplies, acting as agent on behalf of either producers or purchasers.

Amtran proposes to file with the ERA quarterly reports of individual transactions within 30 days following each calendar quarter.

Amtran states its import transactions would utilize existing transmission facilities and therefore does not contemplate construction of any new facilities that would have an impact on the human environment.

The ERA issued a notice of the application on December 16, 1985, with protests, motions to intervene, or comments to be filed by January 21, 1986.¹ Pacific Gas Transmission Company and Northwest Pipeline Corporation filed motions to intervene as potential transporters of the requested import. Neither movant expressed an opinion on the merits of the import proposal, nor requested any further proceedings. This order grants intervention to the movants.

II. Decision

The application filed by Amtran has been evaluated in accordance with the Administrator's authority to determine if the proposed import arrangement

meets the public interest requirements of Section 3 of the NGA. Under Section 3, an import is to be authorized unless there is a finding that it "will not be consistent with the public interest."^{2/} The Administrator is guided by the DOE's natural gas import policy guidelines.^{3/} Under these guidelines, the competitiveness of an import in the markets served is the primary consideration for meeting the public interest test.

The import authorization sought would provide Amtran with blanket approval, within the prescribed limits, to negotiate and transact individual, short-term sale arrangements without further regulatory action.

Amtran's proposed arrangement for the import of Canadian gas, as set forth in the application, is consistent with the DOE policy guidelines. No party objected to the proposed import. The fact that each spot sale will be voluntarily negotiated, short-term, and market-responsive, as asserted in Amtran's application, provides assurance that the transactions will be competitive. Thus, this, like other, similar blanket imports approved by the ERA, will enhance competition in the market place.^{4/}

After taking into consideration all the information in the record of this proceeding, I find that granting Amtran blanket authority to import up to 200 MMcf of Canadian natural gas per day and a maximum of 100 Bcf over a term of two years for sale in the domestic spot market is not inconsistent with the public interest.^{5/}

Order

For the reasons set forth above, pursuant to Section 3 of the Natural Gas Act, it is ordered that:

A. Amtran Gas Transmission, Inc. (Amtran) is authorized to import up to a total volume of 200 MMcf of Canadian natural gas per day and a maximum of 100 Bcf over a two-year period beginning on the date of first delivery.

B. Amtran shall notify the ERA in writing of the date of first delivery of natural gas imported under Ordering Paragraph A above within two weeks after the date of such delivery.

C. With respect to the imports authorized by this Order, Amtran shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating, by month, whether sales of imported gas have been made, and if so, giving the details of each transaction. The report shall include the purchase and sales price, volumes, any special contract price adjustments,

take-or-pay or make-up provisions, duration of the agreements, ultimate sellers and purchasers, transporters, points of entry, and markets served.

D. The motions to intervene, as set forth in this Opinion and Order, are hereby granted, subject to the administrative procedures in 10 CFR Part 590, provided that participation of each intervenor shall be limited to matters specifically set forth in its motion to intervene and not herein specifically denied, and that the admission of each intervenor shall not be construed as recognition that it might be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on January 30, 1986.

--Footnotes--

1/ 50 FR 51904, December 29, 1985.

2/ 15 U.S.C. Para. 717.b

3/ 49 FR 6684, February 22, 1984.

4/ See e.g., *Tenngasco Exchange Corp. and LHC Pipeline Company*, 1 ERA Para. 70,596 (May 6, 1985); *Dome Petroleum Corporation*, 1 ERA Para. 70,601 (July 2, 1985); *U.S. Natural Gas Clearinghouse, Ltd.*, 1 ERA Para. 70,602 (July 5, 1985); *Westcoast Resources, Inc.*, 1 ERA Para. 70,606 (September 27, 1985); *Northeast Gas, Inc.*, 1 ERA Para. 70,613 (December 20, 1985); *Petro-Canada Hydrocarbons Inc.*, 1 ERA Para. 70,618 (January 3, 1986).

5/ Because the proposed importation of gas will use existing pipeline facilities, DOE has determined that granting this application is clearly not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. 4321, et seq.) and therefore an environmental impact statement or environmental assessment is not required.