

Cited as "1 ERA Para. 70,632"

Gas Ventures, Inc. (ERA Docket No. 86-04-NG), March 12, 1986.

DOE/ERA Opinion and Order No. 110

Order Granting Blanket Authorization to Import Natural Gas from
Canada

I. Background

On January 14, 1986, Gas Ventures, Inc. (Gas Ventures) 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 250 MMcf of Canadian natural gas per day and a maximum of 182.5 Bcf during a two-year period, beginning on the date of first delivery. Gas Ventures proposes to import the gas from its Canadian affiliate corporation, Precambrian Shield Resources Limited, and various other Canadian suppliers. Gas Ventures intends to resell the gas on a short-term and spot sales basis to a wide range of markets in the United States, including local distribution companies and end-users, as well as to act as an agent on behalf of its U.S. purchaser clients and the Canadian suppliers. The specific terms of each import and sale will be negotiated on an individual basis.

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

According to Gas Ventures, its import transactions will utilize existing pipeline facilities and will not require the construction of new facilities.

The ERA issued a notice of the application on January 22, 1986, with protests, motions to intervene, or comments to be filed by February 28, 1986.^{1/} Motions to intervene were filed by Southern California Gas Company, Pacific Gas Transmission Company, and Northwest Pipeline Corporation. No one expressed an opinion on the merits of the import proposal, nor requested any further proceedings. This order grants intervention to these movants.

II. Decision

The application filed by Gas Ventures 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 Gas Ventures with blanket approval, within the prescribed limits, to negotiate and transact individual, short-term sale arrangements without further regulatory action.

Gas Ventures' 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 spot sales will be voluntarily negotiated, short-term, and market-responsive, as asserted in Gas Ventures' 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 Gas Ventures blanket authority to import up to 250 MMcf of Canadian natural gas per day and a maximum of 182.5 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. Gas Ventures, Inc. (Gas Ventures) is authorized to import up to a total volume of 250 MMcf of Canadian natural gas per day and a maximum of 182.5 Bcf over a two-year period beginning on the date of first delivery.

B. This natural gas may be imported at any point on the international border where existing pipeline facilities are located.

C. Gas Ventures 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.

D. With respect to the imports authorized by this Order, Gas Ventures 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 total MMcf of the imports and the average purchase and sales price per MMBtu. The report shall also provide the details of each transaction including the names of the sellers and purchasers, duration of the agreements, transporters, points of entry, markets served, and if applicable, any separate demand/commodity charges, special contract price adjustment clauses, take-or-pay, or make-up provisions.

E. The motions to intervene, as set forth in this Opinion and Order, are hereby granted 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 issued in these proceedings.

Issued in Washington, D.C., on March 12, 1986.

--Footnotes--

1/ 51 FR 3645, January 29, 1986.

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

3/ 49 FR 6684, February 22, 1984.

4/ See e.g., 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); POCO Petroleum, Inc., 1 ERA Para. 70,621 (January 17, 1986); Transco Energy Marketing Company, 1 ERA Para. 70,622 (January 27, 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.