

Cited as "1 ERA Para. 70,647"

Texas Eastern Gas Trading Company (ERA Docket No. 86-19-NG) May 20, 1986.

DOE/ERA Opinion and Order No. 123

Order Granting Blanket Authorization to Import Natural Gas from Canada

## I. Background

On March 13, 1986, Texas Eastern Gas Trading Company (GTC) filed an application for blanket authorization to import up to 1 Bcf of Canadian natural gas per day, over a two-year period beginning on the date of first delivery. GTC, a Delaware corporation, is a wholly-owned subsidiary of Texas Eastern Corporation.

GTC proposes to import the natural gas for sale in the spot and short-term market, either for its own account, or on behalf of undesignated U.S. purchasers, including local distribution companies and end-users, or on behalf of Canadian suppliers. GTC asserts that no new pipeline facilities would be required in order to import the gas. The specific term for each sale, including price and volumes, will be negotiated and responsive to current spot market conditions for natural gas. The applicant proposes to file with the ERA quarterly reports of individual transactions within 30 days following each calendar quarter.

The ERA issued a notice of the application on March 20, 1986, inviting protests, motions to intervene, notices of interventions and comments to be filed by April 28, 1986.<sup>1</sup> Motions to intervene, without comment or request for additional procedures, were received from Northwest Pipeline Corporation, Pacific Gas Transmission Company, Southern California Gas Company, Equitable Gas Company, Public Service Electric and Gas Company, Columbia Gas Transmission Corporation, El Paso Natural Gas Company, Transcontinental Gas Pipe Line Corporation, Consolidated Edison Company of New York, Inc., Great Lakes Gas Transmission Company and Brooklyn Union Gas Company. This order grants intervention to these movants.

## II. Decision

The application filed by GTC 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 Natural Gas Act. 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 in this determination by the DOE's natural gas policy guidelines.<sup>3/</sup> Under these guidelines the competitiveness of an import arrangement in the markets served is the primary consideration for meeting the public interest test.

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

GTC'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 sale will be voluntarily negotiated, short-term and market-responsive 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.<sup>4/</sup>

After taking into consideration all of the information in the record of this proceeding, I find that granting GTC blanket authority to import up to 1 Bcf per day of Canadian natural gas over a term of two years is not inconsistent with the public interest.<sup>5/</sup>

### Order

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

A. Texas Eastern Gas Trading Company (GTC) is authorized to import up to 1 Bcf per day of Canadian natural gas, over a two-year period beginning on the date of first delivery.

B. GTC 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, GTC shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether sales of imported gas have been made, and if so, giving, by month, the total MMcf of the imports and the average purchase price per MMBtu at the border. The reports shall also provide the details of each transaction, including the names of the sellers and purchasers, estimated or actual duration of the agreements, transporters, points of entry, markets served, and if applicable, any demand/commodity charge breakdown of the contract price,

any special contract price adjustment clauses, and any take-or-pay, or make-up provisions.

D. 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 order issued in these proceedings.

Issued in Washington, D.C., on May 20, 1986.

--Footnotes--

1/ 51 FR 10658, March 28, 1986.

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

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, Inc., 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); El Paso Gas Marketing Company, 1 ERA Para. 70,104 (March 27, 1986); PGC Marketing Inc., 1 ERA Para. 70,639 (March 28, 1986); Natgas (U.S.) Inc., 1 ERA Para. 70,640 (April 14, 1986).

5/ Because the proposed importation of gas will use existing pipeline facilities, the 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 that an environmental impact statement or environmental assessment is not required.