

Cited as "1 ERA Para. 70,657"

ANR-TransCanada Energy Co. (ERA Docket No. 86-30-NG), July 3, 1986.

DOE/ERA Opinion and Order No. 134

Order Granting Blanket Authorization to Import Natural Gas from Canada

I. Background

On April 25, 1986, ANR-TransCanada Energy Co. (ANR-TransCanada) filed an application for blanket authorization to import up to 100 Bcf per year of Canadian natural gas over a period of two years beginning on the date of first delivery. ANR-TransCanada is a general partnership formed by ANR Gathering Company, a wholly owned subsidiary of American Natural Resources Company, and TransCanada Gas Marketing Company, a wholly owned indirect subsidiary of TransCanada PipeLines Limited (TransCanada).

ANR-TransCanada would receive its supply of gas from Canadian sources in the Province of Alberta, and resell it on a short-term basis to U.S. purchasers including pipelines, distribution companies and end users. ANR-TransCanada also proposes to act as an agent on behalf of Canadian suppliers and/or U.S. purchasers. The specific terms of each import and sale would be negotiated on an individual basis including price and volume. ANR-TransCanada asserts that no new pipeline would be required in order to import the 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 May 15, 1986, inviting protests, motions to intervene, notices of interventions and comments to be filed by June 16, 1986.^{1/}

Motions to intervene were filed by Southern California Gas Company, Madison Gas and Electric Company, Texas Eastern Transmission Corporation, Wisconsin Public Service Corporation, Columbia Gas Transmission Corporation, Wisconsin Gas Company, Pacific Gas Transmission Company, City Gas Company, Wisconsin Power and Light Company, Wisconsin Natural Gas Company, and Wisconsin Fuel and Light Company. The Public Service Commission of Wisconsin filed a notice of intervention. None of the intervenors 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 ANR-TransCanada 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.^{3/} 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 ANR-TransCanada with blanket approval, within prescribed limits to negotiate and transact individual, short-term sales arrangements without further regulatory action.

ANR-TransCanada's 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,^{4/} will enhance competition in the market place.

After taking into consideration all of the information in the record of this proceeding, I find that granting ANR-TransCanada blanket authority to import up to 100 Bcf per year of Canadian natural gas over a term of two years 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. ANR-TransCanada Energy Co. (ANR-TransCanada) is authorized to import up to 100 Bcf per year of Canadian natural gas 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. ANR-TransCanada shall notify the ERA in writing of the date of the 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, ANR-TransCanada 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 volume of the imports in MMcf and the average purchase and sales 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, and special contract price adjustment clauses, and any 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 order issued in these proceedings.

Issued in Washington, D.C., on July 3, 1986.

--Footnotes--

1/ 51 FR 17794, May 15, 1986.

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

3/ 49 FR 6684, February 22, 1984.

4/ See e.g., PGC Marketing Inc., 1 ERA Para. 70,639 (March 28, 1986); Natgas (U.S.) Inc., 1 ERA Para. 70,640 (April 14, 1986); Community Gas Acquisition, Inc., 1 ERA Para. 70,642 (May 15, 1986); Ocelot Energy Corporation, 1 ERA Para. 70,643 (May 15, 1986); and Chieftain International, Inc., 1 ERA Para. 70,644 (May 16, 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 therefore an environmental impact statement or environmental assessment is not required.

