

Cited as "1 ERA Para. 70,728"

Northridge Petroleum Marketing U.S., Inc. (ERA Docket No. 87-44-NG),
October 20, 1987.

DOE/ERA Opinion and Order No. 197

Order Granting Blanket Authorization to Export Natural Gas

I. Background

On August 14, 1987, Northridge Petroleum Marketing U.S., Inc. (Northridge), 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) and DOE Delegation Order No. 0204-111, for blanket authorization to export up to 300 Bcf of natural gas to Canada over a term of two years, beginning on the date of first delivery, for sales on a short-term or spot market basis. Northridge, a corporation registered in the State of Colorado with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Northridge Petroleum Marketing, Inc., a Canadian corporation and operates solely as a natural gas marketing company.

Northridge is currently authorized to import up to 100 Bcf of Canadian natural gas over a two-year term under a blanket authorization issued by the ERA.¹ Northridge intends to export natural gas either as a broker or agent on behalf of a variety of U.S. and/or Canadian suppliers and/or foreign purchasers, or as an exporter on its own behalf for sale to foreign purchasers. In the case of gas supplied by Canadian suppliers, such gas will be imported to the U.S. and then exported for delivery to the Canadian purchasers. Northridge states that the exported gas would be transported through existing facilities at the border and within the United States, and that it will submit quarterly reports giving details of individual transactions.

In support of its application, Northridge maintains that its proposed export arrangement is fully consistent with the public interest requirement of Section 3 of the NGA and with the DOE's policies on international gas trade. Northridge states that, given the existing surplus of natural gas in the United States, the requested authorization would be especially beneficial to the public interest. The applicant maintains that authorizing this export will facilitate the mitigation of a surplus of domestic natural gas and allow a reduction in the U.S. trade deficit.

The ERA issued a notice of the application on August 20, 1987, inviting protests, motions to intervene, notices of intervention, and comments to be filed by September 28, 1987.^{2/} A motion to intervene, without comment or request for additional procedures, was received from Pacific Gas Transmission Company. This order grants intervention to this intervenor.

II. Decision

The application filed by Northridge has been evaluated in accordance with the Administrator's authority to determine if the proposed export arrangement meets the public interest requirements of Section 3 of the NGA. Under Section 3 an export is to be authorized unless there is a finding that it "will not be consistent with the public interest."^{3/} In reviewing natural gas export applications, the ERA considers the domestic need for the gas to be exported, and any other issues determined by the Administrator to be appropriate in a particular case.

Northridge's arrangement for the export of natural gas, as set forth in the application, is consistent with DOE's international gas trade policy and Section 3 of the NGA. The current gas surplus, together with the short term requested and the fact that no party has argued the gas proposed to be exported is needed domestically, indicates that domestic need for this gas is not and will not be an issue during the term of this authorization. The ERA also finds that Northridge's export proposal, like other similar blanket export arrangements recently approved by the ERA,^{4/} will further the policy goals of reducing trade barriers and encouraging market forces to achieve a more competitive distribution of goods between the U.S. and Canada.

After taking into consideration all the information in the record of this proceeding, I find that granting Northridge blanket authority to export up to 300 Bcf of domestic 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. Northridge Petroleum Marketing U.S., Inc. (Northridge), is authorized to export up to 300 Bcf of natural gas to Canada over a two-year period, beginning on the date of first delivery.

B. Northridge shall notify the ERA in writing of the date of first

delivery of natural gas exported under Ordering Paragraph A above within two weeks after the date of such delivery.

C. With respect to the exports authorized by this Order, Northridge shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether sales of exported gas have been made and, if so, giving, by month, the total volume of exports in MMcf and the average selling price per MMBtu at the international 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 exit, 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 motion to intervene, as set forth in this Opinion and Order is hereby granted, provided that participation of the intervenor shall be limited to matters specifically set forth in its motion to intervene and not herein specifically denied, and that the admission of such 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 October 20, 1987.

--Footnotes--

1/ Northridge Petroleum Marketing U.S., Inc., DOE/ERA Opinion and Order No. 88, 1 ERA Para. 70,605 (September 27, 1985).

2/ 52 FR 32334, August 27, 1987.

3/ 15 U.S.C. Sec. 717b.

4/ See e.g., Hadson Canada, Inc., 1 ERA Para. 70,667 (September 9, 1986); Natgas (U.S.), Inc., 1 ERA Para. 70,668 (September 23, 1986); Yankee International Company, 1 ERA Para. 70,670 (September 26, 1986).

5/ Because the proposed exportation 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.