

Cited as "1 ERA Para. 70,755"

Westcoast Resources, Inc. (ERA Docket No. 87-66-NG), February 3, 1988.

DOE/ERA Opinion and Order No. 223

Order Extending Blanket Import Authorization, Increasing Volumes, and Granting Interventions

## I. Background

On November 25, 1987, Westcoast Resources, Inc. (Westcoast Resources), filed an application to extend its existing blanket authorization, which was previously granted in DOE/ERA Opinion and Order No. 89 (Order No. 89), issued September 27, 1985, from February 4, 1988, the current expiration date, to February 4, 1990, and increase maximum volumes from the currently authorized 50 Bcf per year, to 200 Bcf over a two-year period beginning on February 5, 1988. Westcoast Resources is a Delaware corporation with its principal place of business in Calgary, Alberta, Canada. Westcoast Resources is a wholly-owned subsidiary of Westcoast Petroleum Ltd., a wholly-owned subsidiary of Westcoast Transmission Company Limited (Westcoast Transmission).

Westcoast Resources, either on its own behalf or as agent for U.S. purchasers, would continue to import natural gas from Westcoast Transmission and other Canadian suppliers for sale to U.S. customers, including gas distributors, pipelines, electric utilities, and industrial and agricultural end-users. The natural gas would continue to be imported primarily at Sumas, Washington, and transported by Northwest Pipeline Corporation, as well as other pipelines and distribution systems.

Westcoast proposes to continue filing quarterly reports with the ERA. Quarterly reports filed by Westcoast Resources indicate that it has imported approximately 40.7 Bcf of natural gas under Order No. 89 as of September 30, 1987.

In support of its application, Westcoast Resources has stated that an extension of its authorization will allow the continued import of gas under freely negotiated terms that are competitive and market-responsive and therefore consistent with the ERA's policy guidelines. In addition, Westcoast Resources states that Westcoast Transmission has demonstrated itself to be a reliable supplier of natural gas, with proven reserves, as of December 1986, of over 8 Tcf. Westcoast Resources also states that no new facilities would be required as a result of the extension.

Notice of Westcoast Resources' application was issued on December 31, 1987, inviting protests, motions to intervene, or notices of intervention and written comments by January 28, 1988.<sup>1/</sup> Motions to intervene without comment or request for additional procedures were received from Northwest Pipeline Corporation, El Paso Natural Gas Company, Pacific Gas Transmission Company, Northwest Alaskan Pipeline Company, and Cascade Natural Gas Corporation. This order grants intervention to these movants.

## II. Decision

The application filed by Westcoast Resources has been evaluated to determine if the proposed extension of its existing import authorization meets the public interest requirements of the 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."<sup>2/</sup> The Administrator is guided by the DOE's natural gas import policy guidelines.<sup>3/</sup> Under these guidelines, the competitiveness of an import in the markets served is the primary consideration for meeting the public interest test.

The proposed extension of Westcoast Resources' existing import authorization, as set forth in the application, is consistent with the DOE policy guidelines. The import authorization extension will continue Westcoast Resources' blanket import approval, within prescribed limits, to negotiate and transact individual, short-term purchase arrangements without further regulatory action. The fact that each spot purchase will be voluntarily negotiated, short-term, and market-responsive, as asserted in Westcoast Resources' application, provides assurance that the transactions will be competitive and that Westcoast Resources will only purchase gas to the extent it needs such volumes. Thus, this arrangement will enhance competition in the marketplace. Further, no party objected to the proposed import authorization extension.

After taking into consideration all the information in the record of this proceeding, I find that extending for two years Westcoast Resources' blanket authorization to import natural gas and increasing the volume authorization to an aggregate of up to 200 Bcf is not inconsistent with the public interest.<sup>4/</sup>

## ORDER

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

A. DOE/ERA Opinion and Order No. 89, issued to Westcoast Resources, Inc. (Westcoast Resources), in September 27, 1985, is hereby amended to extend the authorization for a two-year term beginning February 5, 1988, through February 4, 1990, and to increase the maximum volume during this extended term to 200 Bcf of natural gas.

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

C. With respect to the imports authorized by this Order, Westcoast Resources shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether purchases of imported gas have been made, and if so, giving, by month, the total volume of the imports in MMcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each transaction, including the names of the seller(s), and the purchaser(s), including those other than Westcoast Resources, estimated or actual duration of the agreement(s), transporter(s), points of entry, market(s) served, and, if applicable, the per unit (MMBtu) demand/commodity charge breakdown of the 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 the intervenors shall be limited to matters specifically set forth in their motions to intervene and not herein specifically denied, and that admission of such intervenors shall not be construed as recognition that they might be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on February 3, 1988.

--Footnotes--

1/ 53 FR 438, January 7, 1988.

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

3/ 49 FR 6684, February 22, 1984.

4/ 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.