

Cited as "1 ERA Para. 70,765"

Development Associates, Inc. (ERA Docket No. 87-69-NG), March 22, 1988.

DOE/ERA Opinion and Order No. 231

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

I. Background

On December 4, 1987, Development Associates, Inc. (DA), filed an application to extend its existing blanket authorization, which was previously granted in DOE/ERA Opinion and Order No. 102 (Order No. 102),^{1/} issued on January 14, 1986, from March 29, 1988, the current expiration date, to March 30, 1990, and to increase the maximum volumes from the currently authorized 20 Bcf per year to 30 Bcf over a two-year period beginning on March 30, 1988. DA is a Washington corporation with its principal place of business in Spokane, Washington. DA is a wholly-owned subsidiary of the Washington Water Power Company (Washington Water Power).

The gas will be supplied by individual producers, producer groups, associations, and pipeline companies on a short-term basis. DA would import such gas either on behalf of, or for resale to, Washington Water Power, other natural gas distributors and a variety of industrial and institutional end-users.

DA proposes to continue filing quarterly reports with the Economic Regulatory Administration (ERA). Quarterly reports filed by DA indicate that approximately 9.8 Bcf of natural gas was imported under Order No. 102 as of September 30, 1987.

In support of its application, DA 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 ERA's import policy guidelines.^{2/} DA states that the increase in volume is necessary to supply the needs of end-use customers and local distribution companies who are increasingly availing themselves of opportunities to purchase natural gas in the spot market on competitive terms.

Notice of DA's application was issued on January 7, 1988, inviting protests, motions to intervene, or notices of intervention and written comments by February 19, 1988.^{3/} Motions to intervene without comment or

request for additional procedures were received from Northwest Pipeline Corporation, El Paso Natural Gas Company and Northwest Alaskan Pipeline Company. This order grants intervention to these movants.

II. Decision

The application filed by DA has been evaluated to determine if the proposed extension of its existing import authorization meets the public interest requirements of Section 3 of the NGA. Under Section 3, an import must be authorized unless there is a finding that it "will not be consistent with the public interest." 4/ The Administrator is guided by the DOE's natural gas import policy guidelines.^{5/} 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 DA's existing import authorization, as set forth in the application, is consistent with the DOE policy guidelines. The import authorization extension will continue DA's 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 DA's application, provides assurance that the transactions will be competitive and that DA 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 DA's blanket authorization to import an aggregate of up to 30 Bcf is not inconsistent with the public interest.^{6/}

ORDER

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

A. The import authority previously granted to Development Associates, Inc. (DA), by the Economic Regulatory Administration in DOE/ERA Opinion and Order No. 102, issued on January 14, 1986, is hereby amended to extend the authorization for a two-year term from March 30, 1988, through March 30, 1990, and to increase the maximum volume during this extended term to 30 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, DA shall file with the Economic Regulatory Administration (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 DA, 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 March 22, 1988.

--Footnotes--

1/ 1 ERA Para. 70,620.

2/ 49 FR 6684, February 22, 1984.

3/ 53 FR 1507, January 20, 1988.

4/ 15 U.S.C. Sec. 717b.

5/ See supra note 2.

6/ 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.

