

Cited as "1 ERA Para. 70,767"

Amtran Gas Transmission, Inc. (ERA Docket No. 88-04-NG), March 25, 1988.

### DOE/ERA Opinion and Order No. 233

Order Extending Blanket Authorization to Import Natural Gas From Canada and Granting Interventions

#### I. Background

On January 19, 1988, Amtran Gas Transmission, Inc. (Amtran), 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) to extend its existing blanket import authorization, granted in DOE/ERA Opinion and Order No. 108 (Order No. 108), issued on January 30, 1986,<sup>1/</sup> from April 30, 1988, to April 30, 1990. Order No. 108 authorized Amtran to import up to a total volume of 200 MMcf of Canadian gas per day and a maximum of 100 Bcf over a two-year term beginning on the date of first delivery. Under the requested extension Amtran would continue to import the gas from Maxus Energy Canada, Ltd., an affiliate, or other Canadian suppliers, either for Amtran's own account or as an agent for U.S. purchasers and/or Canadian suppliers. Amtran intends to use existing U.S. pipeline facilities.

Amtran states it will continue to file quarterly reports with the ERA. Quarterly reports filed with the ERA indicate that Amtran has imported approximately 210 MMcf of natural gas under Order No. 108 as of December 31, 1987.

In support of its extension request, Amtran asserts that the short-term nature of the requested authority will continue to promote competition in the marketplace. Amtran further asserts that the sales would be freely negotiated, thus ensuring that the import will reflect market conditions and remain competitive over the term of the extension. Amtran contends that the extension of its proposed import authorization is therefore consistent with the Secretary's natural gas import policy.

The ERA issued a notice of the application on February 8, 1988,<sup>2/</sup> inviting protests, motions to intervene, notices of intervention, and comments to be filed by March 17, 1988. Motions to intervene without comment or request for additional procedures were filed by Northwest Pipeline Corporation and Pacific Gas Transmission Company. This order grants interventions to these movants.

## II. Decision

The application filed by Amtran has been evaluated to determine if the proposed import arrangement 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." 3/ The Administrator is guided by the DOE's natural gas import policy guidelines.4/ 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 Amtran's import authorization, as set forth in the application, is consistent with the DOE policy guidelines. The fact that each spot sale will be voluntarily negotiated, short-term, and market-responsive, as asserted in Amtran's application, provides assurance that the transaction will be competitive. Further, no party objected to the proposed import.

After taking into consideration all of the information in the record of this proceeding, I find that granting Amtran an extension of its blanket authority to import up to 100 Bcf of Canadian natural gas over term of two years is not inconsistent with the public interest.5/ Consistent with our recent treatment of similar blanket applications, there will be no restriction on the daily volume that may be imported. This increases the flexibility of spot market importers to provide supplies to meet customer demand.

### ORDER

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

A. The import authorization previously granted to Amtran Gas Transmission, Inc. (Amtran), by the Economic Regulatory Administration (ERA) in DOE/ERA Opinion and Order No. 108, issued January 30, 1986, in Docket No. 85-37-NG, is hereby amended to extend Amtran's authorization to import up to 100 Bcf of natural gas over a two-year term effective April 30, 1988, through April 30, 1990.

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, Amtran 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 and sales 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 Amtran, estimated or actual duration of the agreement(s), transporter(s), point(s) 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 25, 1988.

--Footnotes--

1/ 1 ERA Para. 70,626.

2/ 53 FR 4447, February 16, 1988.

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

4/ 49 FR 6684, February 22, 1984.

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.