

Cited as "1 ERA Para. 70,772"

Amoco Energy Trading Corporation (ERA Docket No. 88-07-NG), April 26, 1988.

DOE/ERA Opinion and Order No. 238.

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

I. Background

On February 12, 1988, Amoco Energy Trading Corporation (Amoco Energy) filed an application to extend its existing blanket import authorization, which was previously granted in DOE/ERA Opinion and Order No. 106 (Order No. 106),^{1/} issued on January 29, 1986, from September 23, 1988, the current expiration date, to September 23, 1990, and to increase the maximum volumes from the currently authorized 70 Bcf per year to 300 Bcf over a two-year period beginning on September 23, 1988. Amoco Energy is a Delaware corporation with its principal place of business in Chicago, Illinois. Amoco Energy is a wholly-owned subsidiary of Amoco Production Company which is an indirect subsidiary of Amoco Corporation, an Indiana corporation.

The gas will be supplied by individual producers, producer groups, associations, and pipeline companies on a short-term basis. Amoco Energy would import such gas either on behalf of, or for resale to electric utilities, natural gas distributors, agricultural users, and a variety of industrial end-users.

Amoco Energy proposes to continue filing quarterly reports with the Economic Regulatory Administration (ERA). Quarterly reports filed by Amoco Energy indicate that approximately 1,059 MMcf of natural gas was imported under Order No. 106 as of December 31, 1987.

In support of its application, Amoco Energy 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/} Amoco Energy 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 Amoco Energy's application was issued on February 26, 1988,

inviting protests, motions to intervene, or notices of intervention and written comments by April 4, 1988.^{3/} Motions to intervene without comment or request for additional procedures were received from Northwest Pipeline Corporation, El Paso Natural Gas Company and Pacific Gas Transmission Company. This order grants intervention to these movants.

II. Decision

The application filed by Amoco Energy 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 Amoco Energy's existing import authorization, as set forth in the application, is consistent with the DOE policy guidelines. The import authorization extension will continue Amoco Energy'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 Amoco Energy's application, provides assurance that the transactions will be competitive and that Amoco Energy 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 Amoco Energy's blanket authority to import up to 300 Bcf is not inconsistent with the public interest.^{6/}

ORDER

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

A. The import authority previously granted to Amoco Energy Trading Corporation (Amoco Energy), by the Economic Regulatory Administration (ERA) in DOE/ERA Opinion and Order No. 106, issued on January 29, 1986, is hereby amended to extend the authorization for a two-year term from September 23, 1988, through September 23, 1990, and to increase the maximum volume during

this extended term to 300 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, Amoco Energy 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 Amoco Energy, 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 April 26, 1988.

--Footnotes--

1/ 1 ERA Para. 70,624.

2/ 49 FR 6684, February 22, 1984.

3/ 53 FR 7005, March 4, 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.