

Cited as "1 ERA Para. 70,785"

Tennessee Gas Pipeline Company (ERA Docket No. 87-28-NG), July 15, 1988.

DOE/ERA Opinion and Order No. 195-A

Order Amending a Conditional Authorization to Import Natural Gas from Canada by Removing the Condition Imposed on Certain Quantities of Natural Gas Authorized for Import

I. Background

On June 21, 1988, Tennessee Gas Pipeline Company (Tennessee) filed a request with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) to amend DOE/ERA Opinion and Order No. 195 (Order 195) issued October 9, 1987,^{1/} by modifying Ordering Paragraph B of Order 195 to remove the condition applicable to the 29,900 Mcf per day contract quantity authorized for import from November 1, 1988, to October 31, 1989, by Ordering Paragraph A of that order.^{2/}

Ordering Paragraph A of Order 195 authorizes Tennessee to import Canadian natural gas purchased from KannGaz Producers Ltd. (KannGaz) up to the quantities and for the term set forth in the following schedule:

Period	Daily Contract Quantity (DCQ) Mcf
November 1, 1987 to October 31, 1988	5,000
November 1, 1988 to October 31, 1989	29,900
November 1, 1989 to October 31, 1990	79,700
November 1, 1990 to October 31, 2002	125,000

Ordering Paragraph B conditions the import of all authorized import volumes, except for the initial 5,000 Mcf per day, on the completion of the DOE's responsibilities pursuant to the National Environmental Policy Act (NEPA) in connection with the construction of the additional transportation

facilities required to import the total authorized volumes in accordance with the above schedule.

In its request for modification, Tennessee states that it commenced the purchase and import of its initial DCQ on November 1, 1987. Further, Tennessee asserts that it has additional existing facilities, consisting of two compressor installations located in New York State, now available and capable of transporting the additional 29,900 Mcf per day of imported gas for its 1988/89 contract year. Tennessee states that these compressors, identified as the 1,000 hp compressor at Station 230-B and the 3,500 hp compressor at Station 233, were placed into service on October 30, 1987, and October 31, 1987, respectively, in connection with its Interim Natural Gas Service (INGS) project to provide temporary increased service to its existing customers in New York, New Jersey and New England under the authorization of a Federal Energy Regulatory Commission (FERC) order issued September 9, 1987, in FERC Docket No. CP86-251.3/ On January 15, 1988, the interim service was terminated and these compressors were idled but not removed.

According to information in FERC Docket No. CP87-131-000, Tennessee, on August 5, 1987, amended its original application to the FERC to construct additional facilities to increase the capacity of its Niagara Spur in order to take delivery of additional imported gas in 1988 as authorized by Order 195. Tennessee proposed a phased construction program. For Phase I, Tennessee proposed to operate on a permanent basis the two existing INGS compressors at Station 233 and Station 230-B to provide the compression needed to enable Tennessee to transport additional imported gas, including the 29,900 Mcf per day supplied by KannGaz, into its system beginning November 1, 1988. Phase II, which Tennessee proposes to commence November 1, 1989, would require further FERC approval of the construction and operation of additional compressor units.

On June 30, 1988, the FERC ordered the issuance of a certificate for Phase I, conditioned on ERA approval of Tennessee's application for import authority currently pending in a separate proceeding in ERA Docket No. 87-53-NG.4/

II. Decision

Tennessee asserts that the existing compressor installations at Station 233 and Station 230-B are sufficient to transport into its system the 29,900 Mcf per day authorized for import beginning November 1, 1988. These particular installations were placed into temporary service on October 30, and 31, 1987, respectively, and operated until January 15, 1988. On June 30, 1988, the FERC authorized the permanent operation of these two compressor installations for

the purpose of importing Canadian natural gas conditioned on the ERA's authorizing additional import volumes requested by Tennessee in a separate ERA proceeding.^{5/}

Based on the above information, the ERA concludes that the importation of the 29,900 Mcf per day of natural gas beginning on November 1, 1988, as authorized by Order 195, will be transported through existing facilities and no new construction is required. Therefore, the ERA finds that the condition imposed by Ordering Paragraph B with respect to the 29,900 Mcf per day import increment is no longer applicable and is hereby removed.^{6/}

ORDER

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

A. Ordering Paragraph B of DOE/ERA Opinion and Order No. 195 (Order 195) issued October 9, 1987, to Tennessee Gas Pipeline Company is hereby amended by striking "5,000 Mcf per day" and substituting therefore "up to 29,900 Mcf per day."

B. Ordering Paragraph D of Order 195 is hereby amended by striking "5,000 Mcf per day" and substituting therefore "up to 29,900 Mcf per day."

C. All other terms and conditions of Order No. 195 remain in effect.

Issued in Washington, D.C. on July 15, 1988.

--Footnotes--

1/ 1 ERA Para. 70,726. Order 195 was issued subsequent to publication by the ERA of a Notice of Application in the Federal Register (52 FR 25908, July 9, 1987) and an unopposed proceeding in which 11 interventions were granted.

2/ Tennessee certified that a copy of this modification request was served upon each party designated on the official service list for this docket pursuant to 19 CFR Sec. 590.107.

3/ 36 FERC Para. 61,370 (1986).

4/ In ERA Docket No. 87-53-NG, Tennessee requests a phased import authority to import up to 25,000 Mcf per day of Canadian natural gas purchased from TransCanada PipeLines Limited over a term ending in 2002. This request is

not protested and is ripe for decision.

5/ FERC Docket Nos. CP87-131, et al.

6/ Because the proposed importation of the additional 29,900 Mcf of gas will use existing facilities, the DOE has determined that granting this request for modification of Order 195 is clearly not a major Federal action significantly affecting the quality of the human environment within the meaning of NEPA (42 U.S.C. 4321, et seq.) and therefore an environmental impact statement or environmental assessment is not required.