

Cited as "1 ERA Para. 70,790"

Czar Gas Corporation Inc. (ERA Docket No. 88-25-NG), July 18, 1988.

DOE/ERA Opinion and Order No. 255

Order Granting Blanket Authorization to Import Natural Gas From and Export Natural Gas to Canada

I. Background

On April 26, 1988, Czar Gas Corporation Inc. (Czar) 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), for blanket authorization to import up to 146 Bcf of natural gas from Canada, and to export up to 146 Bcf of U.S.-produced gas to Canada over a two-year period beginning on the date of the first delivery. Czar currently imports natural gas under an existing authorization issued in DOE/ERA Opinion and Order No. 137 which expired July 17, 1988. Under this authorization Czar has imported 2.928 Bcf as of December 31, 1987.

Under the broader blanket authority sought in this proceeding, Czar intends to import natural gas from Canadian suppliers, including Czar Resources Ltd., for sale on a short-term or spot-market basis to U.S. purchasers or for eventual return and sale to Canadian markets. Similarly, the export authorization sought by Czar would permit it to export U.S.-produced gas for sale to spot-market purchasers in Canada or eventually, in the U.S. The specific terms of each import or export sale would be negotiated on an individual basis, including price and volume. Czar asserts that the sale of Canadian natural gas imports will be made pursuant to terms dictated by the prevailing economic conditions in the domestic market and that surplus U.S. natural gas supplies will be exported to Canada on the basis of their competitiveness and need by U.S. purchasers. Czar further asserts that it intends to import or export gas through the following points and pipelines:

| Entry/Exit Point | Pipeline |
|----------------------|------------------------------------|
| 1. Sumas, Washington | Northwest Pipeline Corp. |
| 2. Eastport, Idaho | Pacific Gas Transmission Company |
| 3. Detroit, Michigan | Panhandle Eastern Pipeline Company |

After taking into consideration all the information in the record of this proceeding, I find that granting Czar blanket authority to import up to 146 Bcf of Canadian natural gas and export up to 146 Bcf of U.S. domestic natural gas over a term of two years 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. Czar Gas Corporation Inc. (Czar) is authorized to import up to 146 Bcf of Canadian natural gas and export to Canada up to 146 Bcf of U.S. domestic natural gas over a two-year period, beginning on the date of first delivery.

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

C. Czar shall notify the ERA in writing of the date of first delivery of natural gas authorized in Ordering Paragraph A above within two weeks after deliveries begin.

D. With respect to the imports and exports authorized by this Order, Czar shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether purchases of imported and/or exported gas have been made, and if so, giving, by month, the total volume of the imports and exports in MMcf and the average purchase price for imports and exports 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 Czar, 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 make-up provisions.

E. 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 July 18, 1988.

--Footnotes--

1/ 53 FR 21891, June 10, 1988.

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

3/ 49 FR 6684, February 22, 1984.

4/ 49 FR 6690, February 22, 1984.

5/ See e.g. Tricentrol United States, Inc. and Tricentrol Petroleum Marketing, Inc., 1 ERA Para. 70,672 (October 20, 1986), Enron Gas Marketing, Inc., 1 ERA Para. 70,688 (March 9, 1987), and Woodward Marketing, Inc. unpublished (June 2, 1988) and Reliance Gas Marketing Company, unpublished (June 22, 1988).

6/ Because the proposed importation or exportation 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.