

Cited as "1 FE Para. 70,253"

ICG Utilities (Ontario) Ltd. (FE Docket No. 89-12-NG), September 12, 1989.

DOE/FE Opinion and Order No. 332

Order Granting Authorization to Import Natural Gas from and Export Natural Gas to Canada

## I. Background

On February 21, 1989, ICG Utilities (Ontario) Ltd. (ICG) filed with the Office of Fossil Energy (FE) of the Department of Energy (DOE) an application for authorization to import from Canada up to 8,267,250 Mcf of natural gas per year and to subsequently export the same gas back to Canada over a term of 15 years beginning November 1, 1989, and ending on October 31, 2005. The import/export proposal would provide a means for supplying gas to fuel a new cogeneration facility to be built at Fort Frances, Ontario, Canada, and would not result in a net import of gas into the U.S.

ICG, a Canadian corporation having its principal place of business in North York, Ontario, is a large natural gas distribution company serving customers in more than 100 communities in Northwestern and Eastern Ontario, Canada. ICG states that it would purchase the natural gas from Canadian suppliers in Alberta and Saskatchewan, import the gas into the U.S. near Sprague, Manitoba, for transit via the existing facilities of Inter-City Minnesota Pipelines Ltd., Inc. (Inter-City), for a short distance through the State of Minnesota, and then export the gas back to Canada near Baudette, Minnesota. ICG also states that no new U.S. transmission facilities will be needed to implement the proposed import and export of natural gas.

In support of its application, ICG asserts that since the gas would not be produced or consumed in the U.S., the issues of price, need for the gas, and security of supply are not relevant for the proposed import, nor is domestic need for the gas a relevant consideration for the proposed export.

A notice of the application was issued on April 12, 1989, inviting protests, motions to intervene, notices of intervention, and comments to be filed by May 22, 1989.<sup>1</sup> No interventions or comments were received.

## II. Decision

The application filed by ICG has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements of section 3 of the NGA.<sup>2</sup> Under section 3, an import or export must be

authorized unless there is a finding that it "will not be consistent with the public interest." Since ICG's proposal involves simply a transportation arrangement for moving gas from one point in Canada to another point in Canada via a pipeline that traverses the State of Minnesota for a short span, there would be no net import or export, and no sale of the gas inside the U.S. Further, there is no indication that the transportation of the gas by Inter-City would adversely affect any of Inter-City's customers. No one has opposed or commented on the proposed import or export of natural gas.

After taking into consideration all of the information in the record of this proceeding, I find that granting ICG authority to import from Canada up to 8,267,250 Mcf of natural gas per year, and to subsequently export the same natural gas back to Canada over a term of 15 years beginning November 1, 1990, is not inconsistent with the public interest.

### ORDER

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

A. ICG Utilities (Ontario) Ltd. (ICG) is authorized to import from Canada up to 8,267,250 Mcf of natural gas per year, and to subsequently export the same natural gas to Canada as part of a transportation arrangement to supply natural gas to a new proposed cogeneration facility at Fort Frances, Ontario, Canada. The term of this authorization begins on November 1, 1990, and ends on October 31, 2005.

B. ICG shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date of the first import and the date of the first export authorized in Ordering Paragraph A above within two weeks after each begins.

C. With respect to the imports and exports authorized by this Order, ICG shall file with the Office of Fuels Programs within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of gas have been made and, if so, giving, by month, the total volumes of imports and exports in MMcf.

Issued in Washington, D.C., on September 12, 1989.

--Footnotes--

1/ 54 FR 16159, April 21, 1989.

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

