

Cited as "1 FE Para. 70,281"

Vermont Gas Systems, Inc. (FE Docket No. 89-68-NG), December 21, 1989.

DOE/FE Opinion and Order No. 364

Emergency Interim Order Amending Authorization to Increase Import Volumes
in Advance of Public Notice

I. Background

On December 20, 1989, Vermont Gas Systems (Vermont Gas) filed an application with the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, to amend its existing emergency interim authority to import Canadian natural gas granted in DOE/FE Opinion and Order No. 344 (Order 344) on October 26, 1989 (FE Docket No. 89-68-NG). Order 344 authorized Vermont Gas to continue to import on a firm basis until October 31, 1992, up to 32,000 Mcf of natural gas per day authorized in DOE Opinion and Order No. 143.1/ Vermont Gas purchases the gas from Western Gas Marketing (Western) which acts on behalf of its parent, TransCanada PipeLines Limited (TransCanada).

In its emergency request, Vermont Gas indicates that in order to meet peak gas demand projected at 36,000 Mcf per day this winter, it had begun construction of a propane air facility in Colchester, Vermont. The facility is to have an initial capacity of 6,000 Mcf per day to be in service on December 18, 1989. Unusually cold weather, according to the applicant, has slowed construction and the facility has yet to become operational. Vermont Gas maintains that although the propane air facility is now expected to commence service in January 1990, Vermont Gas cannot meet current peak demand without authority to import up to an additional 4,000 Mcf of gas per day from Canada--its only existing gas supply source. Since Vermont Gas lacks propane storage facilities on site, it has arranged for emergency interim service from Gaz Metropolitan, a Canadian distribution company.

II. Decision

The DOE has considered Vermont Gas' request for emergency interim authority in light of our responsibility under section 3 of the NGA and the immediate circumstances confronted by the applicant. This interim arrangement involves a small volume of gas over a period projected to be less than a month. Moreover, it is apparent that DOE is faced with a request that can be honored only by an immediate action. Vermont's heating season began more than

two months ago and the delay inherent in providing the normal public comment period would expose the customers of Vermont Gas to a supply interruption in the face of a colder than normal winter.

While ordinarily the DOE would take no action until expiration of the notice and comment period, Vermont Gas' application states reasons sufficient to justify the need for an emergency increase in its authorized import volumes for limited duration. Authorization for Vermont Gas to increase its import volumes by 4,000 Mcf per day at this time will allow it to complete emergency arrangements with Gaz Metropolitan until its propane air facility becomes operational.

ORDER

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

A. Vermont Gas Systems, Inc.'s (Vermont Gas) authority to import up to 32,000 Mcf per day granted in DOE/FE Opinion and Order No. 344 is hereby amended on an interim emergency basis to authorize Vermont Gas to import an additional 4,000 Mcf per day, in accordance with the arrangement described in its application, until its propane air facility becomes operational.

B. Vermont Gas shall notify the DOE within seven (7) days of the effective date that its propane air facility becomes operational pursuant to Ordering Paragraph A above.

Issued in Washington, D.C., on December 21, 1989.

--Footnote--

1/ 1 ERA Para. 70,666 (September 5, 1986).