

Cited as "1 FE Para. 70,282"

Granite State Gas Transmission, Inc. (FE Docket No. 89-90-NG), December 22, 1989.

DOE/FE Opinion and Order No. 365

Emergency Interim Order Granting Authorization to Import Natural Gas from Canada in Advance of Public Notice

I. Background

On December 22, 1989, Granite State Gas Transmission, Inc., 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, requesting emergency interim authority to import Canadian natural gas.

In its emergency request Granite State stated that due to the unprecedented cold weather in the New England States, its principal customers, who are affiliated distribution companies, Bay State Gas Company, and Northern Utilities, Inc., are drawing down their LNG and liquid propane inventories to levels below design guidelines. If their draw down of LNG and liquid propane is slowed down, service to high priority residential, commercial, and industrial customers will be put in jeopardy.

Granite State is arranging for the purchase of up to 5,000 MMBtu's per day of Canadian natural gas on a best-efforts basis from Western Gas Marketing. This gas will be transported by TransCanada PipeLines Limited to an interconnection with Gaz Metropolitan, Inc. (GMI). GMI will transport the gas to a connection with Shell Canada Products Limited (SCPL) who will deliver the gas to a border connection with Granite State near North Troy, New York.

The gas will be delivered into GMI's system at a cost of \$3.92 per MMBtu. GMI and SCPL will add transportation charges. These charges are still being negotiated. Granite State is trying to complete all necessary negotiations and begin the emergency purchases from Western Gas Marketing as soon as possible but in any case no later than December 25, 1989.

II. Decision

The DOE has considered Granite State's 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 relatively short period. Moreover, it is apparent that DOE is faced with a request that can be honored only by an immediate action. New England'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 Granite State 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, Granite State's application states reasons sufficient to justify the need for an emergency authorization to import volumes for limited duration. Authorization for Granite State to import volumes up to 5,000 MMBtu per day at this time will allow it to serve its priority customers during this cold weather emergency.

ORDER

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

A. Granite State Gas Transmission, Inc. (Granite State), is authorized to import up to 5,000 MMBtu per day of Canadian natural gas on an interim emergency basis, in accordance with the arrangement described in its application, until the current cold weather emergency situation ends.

B. Granite State shall notify the DOE within seven (7) days of the end of the current cold weather emergency situation.

Issued in Washington, D.C., on December 22, 1989.