

Cited as "1 FE Para. 70,396"

Thermal Exploration, Inc. (ERA Docket No. 87-11-NG), December 28, 1990.

DOE/ERA Opinion and Order No. 168-A

Order Amending a Blanket Authorization to Import Natural Gas from Canada

I. Background

On December 7, 1990, Thermal Exploration, Inc. (Thermal) filed a request with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-11 and 0204-127, to amend DOE/ERA Opinion and Order No. 168 (Order 168) issued April 7, 1987.¹ Order 168 granted Thermal authority to import up to 73 Bcf of Canadian natural gas over a two-year term beginning on the date of first delivery. Thermal requested that its authorization be amended on an expedited basis to permit it to include the importation by truck of approximately 9,000 Mcf of liquefied natural gas (LNG) for an experimental program to determine the feasibility of using LNG to power locomotives.

Thermal, a natural gas marketing company, is a Washington corporation with its principal place of business in Seattle and a wholly owned subsidiary of Washington Energy Company. Under the proposed import arrangement, Thermal will act as import agent for Burlington Northern Railroad (Burlington), who will purchase the gas from B.C. Gas. B.C. Gas is a Canadian corporation located in the Province of British Columbia. The LNG will be transported from Vancouver, British Columbia, to the delivery point at Tacoma, Washington. The point of importation will be Sumas, Washington, but the test program will be conducted by Burlington near Tacoma, Washington.

In support of its amendment request, Thermal asserts that if its experimental program is determined to be feasible, the use of LNG in lieu of diesel fuel or other petroleum products will benefit the public, principally because gas is a cleaner fuel.

A notice of the application was issued on December 10, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by December 24, 1990.² No comments were received.

II. Decision

The application filed by Thermal has been evaluated to determine if the

proposed import arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an import is to be authorized unless there is a finding that it "will not be consistent with the public interest." 3/

Thermal's request to amend its existing import authority would permit it to import LNG by truck in addition to pipeline gas from Canada. Authority to import LNG by truck would allow Thermal to participate in an experimental program to determine the economic and technical feasibility of using LNG to fuel locomotives in lieu of diesel fuel or other oil-based products. Thermal's uncontested amendment to its existing import authorization, as set forth in the application, is consistent with section 3 of the NGA and provides Thermal with additional flexibility under its existing blanket import authority.

After taking into consideration all the information in the record of this proceeding, I find that amending Thermal's blanket import authority to include the transportation of LNG by truck, is not inconsistent with the public interest.

ORDER

For the reasons set forth above, pursuant to section 3 of the Natural Gas Act, DOE/ERA Opinion and Order 168 (Order 168) is amended to permit Thermal Exploration, Inc. to include in its imports of natural gas from Canada the importation of liquefied natural gas by truck. All other conditions contained in Order 168 remain in effect.

Issued in Washington, D.C., on December 28, 1990.

--Footnotes--

1/ 1 ERA Para. 70,697.

2/ 55 FR 51330, December 13, 1990.

3/ 15 U.S.C. Sec. 717b.