

Cited as "1 FE Para. 70,294"

Westcoast Resources, Inc. (FE Docket No. 89-74-NG), February 1, 1990.

DOE/FE Opinion and Order No. 376

Emergency Interim Order Extending Existing Blanket Import Authority

### I. Background

On October 26, 1989, Westcoast Resources, Inc. (Westcoast Resources) 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 that the blanket import authorization previously granted in DOE/ERA Opinion and Order 223 (Order 223) issued February 3, 1988 (ERA Docket No. 87-66-NG), for up to 200 Bcf over a two-year period, be extended for two additional years commencing February 5, 1990, and be increased to up to 300 Bcf over the extended period.<sup>1/</sup>

A notice of the application was issued on December 28, 1989, inviting protests, motions to intervene, notices of intervention, and comments to be filed by February 5, 1990, one day after Westcoast Resources' current authorization expires. To date, a single intervention in support of the application has been filed by Northwest Natural Gas Company (Northwest Natural), a local distribution company serving approximately 300,000 residential, commercial, and industrial customers in Oregon and Washington. No other comments have been received.

On January 24, 1990, Westcoast Resources filed a request for emergency authority under 10 CFR 590.403 to continue the importation of natural gas under the terms and conditions of its current blanket import authorization, until DOE acts on Westcoast Resources' pending application. In general, Westcoast Resources states the emergency authority will assure the continuity of supplies to those of its customers who receive gas imported under the authority of Order 223. In particular, both Westcoast Resources and Northwest Natural emphasize that nearly half of the natural gas needed by Northwest Natural to serve its customers in the winter heating season comes from Canada, principally under the authority of Westcoast Resources' existing natural gas import authorization.<sup>2/</sup> In its intervention in support of Westcoast Resources' application, Northwest Natural stated that authorization to continue these imports is necessary in order to prevent an interruption of service to its customers. Customers whose source of heating fuel could be jeopardized include residential users and institutional customers such as hospitals and schools.

Additionally, Westcoast Resources imports gas on behalf of other customers including electric generating plants and industrial consumers. According to its January 24 filing, a disruption in import authority could cause difficulty in obtaining replacement gas supplies at comparable cost.

## II. Decision

The DOE has considered Westcoast Resources' request for emergency interim authority in light of our responsibility under section 3 of NGA and the immediate circumstances confronted by the applicant. This interim arrangement concerns the import of Canadian natural gas over a period projected to be less than two weeks. Moreover, it is apparent that DOE is faced with a request that can be honored only by an immediate action. The delay inherent in waiting until the normal public comment period closes would expose the customers of Westcoast Resources to a supply interruption in the winter heating months.

While ordinarily the DOE would take no action until expiration of the notice and comment period, Westcoast Resources' request states reasons sufficient to justify an emergency interim order until the comment period in FE Docket No. 89-74-NG closes and a decision can be made on the application.

## ORDER

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

Westcoast Resources, Inc.'s authority to import natural gas from Canada, granted in DOE/ERA Opinion and Order 223, is hereby extended on an interim emergency basis until the comment period in FE Docket No. 89-74-NG closes and a decision can be made on the application.

Issued in Washington, D.C., on February 1, 1990.

--Footnotes--

1/ Westcoast Resources has imported over 63 Bcf under its current authorization through September 1989.

2/ On January 10, 1990, Northwest Natural filed an application in FE Docket No. 90-02-NG to import up to 100 MMcf per day of natural gas from Canada beginning February 5, 1990, extending to November 1, 2003. Subsequent to its nomination not to use Northwest Pipeline Corporation as a full service

system supplier of its gas, Northwest Natural has been relying on Canadian supplies imported by Westcoast Resources under its blanket authorization in Docket No. 87-66-NG, pending a decision on Northwest Natural's application for long-term import authorization.