

Cited as "1 FE Para. 70,297"

Dome Petroleum Corp. (FE Docket No. 89-80-NG), February 6, 1990.

DOE/FE Opinion and Order No. 379

Order Granting Blanket Authorization to Import Natural Gas from Canada and Granting Intervention

## I. Background

On November 13, 1989, Dome Petroleum Corp. (Dome) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) pursuant to section 3 of the Natural Gas Act (NGA), requesting that blanket authorization previously granted<sup>1</sup> be further extended for two years beginning on December 1, 1989, the expiration of its current import authorization, through the period ending November 30, 1991. As a matter of procedural policy, the DOE is treating Dome's filing as an application for a new authorization to import volumes not to exceed, in the aggregate, 200 Bcf of Canadian natural gas over a two-year period.

Dome is a North Dakota corporation with its registered office in Bismarck, North Dakota, and its principal place of business in Calgary, Alberta. Dome is a wholly-owned subsidiary of Amoco Canada Petroleum Company, Ltd., which is a wholly-owned subsidiary of Amoco Corporation, an Indiana corporation. Amoco Corporation is an integrated company engaged in the exploration, production, refining, transportation, and marketing of oil, natural gas, and other hydrocarbons.

In support of its import request, Dome states that the imported gas would be supplied by individual producers, producer groups, associations, and pipeline companies, and sold by Dome on a short-term or spot basis to, among others, industrial end users, agricultural users, electric utilities, pipelines, and local distribution companies. Dome expects that the majority of short-term and spot sales of Canadian natural gas sold to U.S. purchasers will be used to displace higher priced energy supplies. Dome asserts that each sale will be market responsive and that imports would be accomplished using existing pipeline capacity and no new construction would be involved. Dome also would file reports with FE within 30 days after the end of each calendar quarter giving the details of the individual transactions. Dome's prior quarterly reports filed with FE indicate that approximately 23.6 Bcf of natural gas was imported through September 30, 1989. Therefore, Dome asserts that its application for authorization to import natural gas from Canada is

not inconsistent with the public interest.

A notice of this application was issued on December 6, 1989, inviting protests, motions to intervene, notices of intervention, and comments to be filed by January 11, 1990.<sup>2/</sup> A motion to intervene was filed by Northwest Pipeline Corporation. This order grants intervention to the movant.

## II. Decision

The application filed by Dome has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, imports must be authorized unless there is a finding that they "will not be consistent with the public interest."<sup>3/</sup> This determination is guided by the DOE's natural gas import policy guidelines.<sup>4/</sup> Under these guidelines, the competitiveness of an import in the markets served is the primary consideration for meeting the public interest test.

The DOE finds that Dome's uncontested proposal for the importation of natural gas, over existing facilities, is consistent with section 3 of the NGA and the DOE policy guidelines. The import authorization sought, similar to other blanket arrangements approved by DOE,<sup>5/</sup> would provide Dome with a blanket import authority, within prescribed limits, to negotiate and transact individual, spot and short-term purchase arrangements without further regulatory action. The fact that each purchase will be voluntarily negotiated, short-term, and market-responsive, as asserted in Dome's application, provides assurance that the transactions will be competitive with other gas supplies available to Dome. This arrangement, therefore, should enhance competition in the marketplace.

After taking into consideration all of the information in the record of this proceeding, I find that granting Dome authority to import up to 200 Bcf of natural gas from Canada during a period of two years, under contracts with terms of two years or less, 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. Dome Petroleum Corp. (Dome) is authorized to import up to 200 Bcf of natural gas from Canada during a two-year period beginning on the date of first delivery.

B. This natural gas may be imported at any point on the international border where existing pipeline facilities are located.

C. Within two weeks after deliveries begin, Dome shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, 1000 Independence Avenue, S.W., Washington, D.C., 20585, in writing that the first delivery of natural gas authorized in Ordering Paragraph A above occurs.

C. With respect to the imports authorized by this Order, Dome shall file with the Office of Fuels Programs within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made, and if so, giving, by month, the total volume of natural gas imports in MMcf and the average purchase price per MMBtu at the international border. The reports shall also provide each month the details of each import transaction, including the names of the seller(s) and purchaser(s), duration of the agreement(s), transporter(s), point of entry, markets served, and if applicable, the per unit (MMBtu) demand/commodity charge breakdown of the price, and special contract price adjustment clauses, and any take-or-pay or make-up provisions.

D. The motion to intervene, as set forth in this Opinion and Order, is hereby granted, provided that participation of such intervenor shall be limited to matters specifically set forth in its motion to intervene and not herein specifically denied, and that the admission of such intervenor shall not be construed as recognition that it might be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on February 6, 1990.

--Footnotes--

1/ DOE/ERA Opinion and Order No. 85, 1 ERA Para. 70,601 (July 2, 1985) (ERA Docket No. 85-11-NG); extended in DOE/ERA Opinion and Order No. 204, 1 ERA Para. 72,771 (October 30, 1987) (ERA Docket No. 87-30-NG).

2/ 54 FR 51068, December 12, 1989.

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

4/ 49 FR 6684, February 22, 1984.

5/ See, e.g., ICG Energy Marketing, Inc., 1 FE Para. 70,209 (March 31, 1989); Canterra Natural Gas Inc., 1 FE Para. 70,226 (June 19, 1989);

Petro-Canada Hydrocarbons Inc., FE Docket No. 89-30-NG (September 26, 1989); Suncor Inc., FE Docket No. 89-52-NG (October 30, 1989); and Exxon Corporation, FE Docket No. 89-56-NG (December 8, 1989).