

Cited as "1 FE Para. 70,361"

Access Energy Corporation (FE Docket No. 90-75-NG), October 10, 1990.

DOE/FE Opinion and Order No. 435

Order Granting Blanket Authorization to Export Natural Gas from the United States to Mexico or Canada

I. Background

On August 30, 1990, Access Energy Corporation (Access) filed an application pursuant to section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127 for blanket authorization to export from the United States to Canada or Mexico up to 296 Bcf of natural gas over a two-year period commencing with the date of first delivery. Under the proposed authority, Access intends to export natural gas obtained from domestic sources, as well as natural gas imported by Access under a separate DOE authorization,^{1/} for sale to a wide range of foreign markets, including local distribution companies and end-users. Access maintains that it intends to use existing pipeline facilities within the United States and at the international border for transportation of the exported gas. Access states that it will advise DOE of the date of first delivery and submit quarterly reports detailing each transaction.

Access, a Delaware corporation with its principal place of business in Dublin, Ohio, is engaged in the marketing of natural gas throughout the U.S. and in Canada. Access requests authorization to export gas for its own account as well as for the accounts of others. In discussing the type of transactions contemplated under the requested export authority, Access states that, in most instances, the export sales will be made on a reasonable-efforts basis, however, some exports may represent firm transactions for a period of up to one year. Access states that the contractual arrangements will be the product of arms-length negotiations and will result in competitive prices and contract flexibility. A notice of the application was issued on August 31, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by October 9, 1990.^{2/} No comments were received.

II. Decision

The application filed by Access has been evaluated to determine if the proposed export arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an export must be authorized unless there is a

finding that it "will not be consistent with the public interest." 3/ In reviewing natural gas export applications, domestic need for the gas to be exported is considered, and any other issues determined to be appropriate in a particular case.

Access' uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and the DOE's international gas trade policy. FE finds that the current supplies of domestic gas, coupled with the short-term, market-responsive nature of the contracts into which Access proposes to enter, indicate that it is unlikely that the proposed export volumes will be needed domestically during the term of the authorization. In addition, Access' proposal, like other blanket export proposals that have been approved by DOE,^{4/} will further the Secretary's policy goals of reducing trade barriers by encouraging market forces to achieve a more competitive distribution of goods in North America. Thus, Access' export arrangement will enhance cross-border competition in the marketplace.

After taking into consideration all of the information in the record of this proceeding, I find that granting Access blanket authority to export a total of up to 296 Bcf of natural gas from the U.S. to Canada or Mexico during a period of two years, under contracts with terms of up to two years, is not inconsistent with the public interest and should be approved.^{5/}

ORDER

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

A. Access Energy Corporation (Access) is authorized to export a combined total of up to 296 Bcf of natural gas from the United States to Canada or Mexico during a two-year period beginning on the date of the first delivery.

B. Access is authorized to export natural gas at any point on the international border where existing pipeline facilities are located.

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

D. With respect to the exports authorized by this Order, Access shall file within 30 days following each calendar quarter, quarterly reports

indicating whether sales of exported natural gas have been made, and if so, giving by month, the total volume of the exports in Mcf and the average price for exports per MMBtu at the international border. The reports shall also provide the details of each export transaction, including the names of the seller(s), and the purchaser(s), estimated or actual duration of the agreements, transporter(s), points of exit, and market(s) served.

Issued in Washington, D.C., on October 10, 1990.

--Footnotes--

1/ See, Access Energy Corporation, 1 ERA Para. 70,835 (January 11, 1989).

2/ 55 FR 36862, September 7, 1990.

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

4/ See, e.g., Transco Energy Marketing Company, 1 FE Para. 70,333 (July 9, 1990); Unicorp Energy, Inc., 1 FE Para. 70,307 (March 9, 1990); and Carson Water Company, 1 FE Para. 70,302 (February 7, 1990).

5/ Because the proposed exportation of gas will use existing facilities, the DOE has determined that granting this application is clearly not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act (42 U.S.C. 4321, et seq.) and therefore an environmental impact statement or environmental assessment is not required. See 40 CFR Sec. 1508.4 and 54 FR 12474 (March 27, 1989).