

Cited as "1 FE Para. 70,365"

ICG Utilities (Ontario) Ltd. (FE Docket No. 90-51-NG), October 24, 1990.

DOE/FE Opinion and Order No. 439

Order Amending Authorization to Import Natural Gas from and Export
Natural Gas to Canada

I. Background

On May 18, 1990, ICG Utilities (Ontario) Ltd. (ICG) filed an application 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. 0204-111 and 0204-127. The application seeks to amend the authorization granted to ICG by DOE/FE Opinion and Order No. 332 (Order 332) on September 12, 1989.^{1/} Order 332 authorized ICG to import up to 8,267,250 Mcf (8,267 MMcf) of natural gas per year from Canada and to subsequently export the same gas back to Canada as part of a transportation arrangement to supply natural gas to a new proposed cogeneration facility at Fort Frances, Ontario, Canada, beginning on November 1, 1990, and ending on October 31, 2005. Under the proposed amendment, ICG seeks to increase the volumes imported and exported annually from 8,267 MMcf to up to 10,220 MMcf. All other terms of ICG's existing import and export authorization would remain the same. The additional gas would be used by ICG primarily as system supply in the Fort Frances, Canada, area and to fuel the new cogeneration facility. The increased volumes would be imported and exported using existing pipeline facilities and would not result in a net import of gas into the U.S.

ICG, a Canadian corporation having its principal place of business in North York, Ontario, is a large natural gas distribution company serving customers in more than 100 communities in northwestern and eastern Ontario, Canada. ICG states that it is seeking the increase in volumes to meet existing customer needs. ICG also states that the increased volumes of natural gas for import into the U.S., and subsequent export back to Canada would be purchased from fields in the Canadian provinces of Alberta and Saskatchewan and supplied by Canadian Hydrocarbons Marketing Inc., North Canadian Marketing Inc., and Western Gas Marketing Ltd. As under ICG's existing authorization, the increased volumes would be imported into the U.S. near Sprague, Manitoba, for transit via the existing facilities of Inter-City Minnesota Pipelines Ltd. Inc. (Inter-City) across the State of Minnesota, and then exported back to Canada near Baudette, Minnesota.

In support of its application, ICG asserts that since the same gas would be imported and exported solely as part of a transportation arrangement, and none of it would be stored or sold in the U.S., there would be no effect on the domestic supply market. Consequently, ICG further asserts that considerations such as competitive prices, security of supply and the need for the natural gas are not relevant in this proceeding.

A notice of the application was issued on August 9, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by September 14, 1990.^{2/} No interventions or comments were received.

II. Decision

The application filed by ICG has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements of section 3 of the NGA.^{3/} Under section 3, an import or export must be authorized unless there is a finding that it "will not be consistent with the public interest." ICG's proposal involves simply a transportation arrangement for moving gas from one point in Canada to another point in Canada via a pipeline that traverses the State of Minnesota for a short span. Since there would be no net import or export, and no sale of the gas inside the U.S., the policy considerations that generally comprise the focus of DOE's public interest inquiry are not relevant. Further, there is no indication that the transportation of the additional gas by Inter-City above the volume level authorized by Order 332 would adversely affect any of Inter-City's customers. No one has opposed or commented on the proposed import or export of natural gas.

After taking into consideration all of the information in the record of this proceeding, I find that granting ICG authority to increase the volumes it imports from Canada from up to 8,267 MMcf of natural gas per year, to up to 10,220 MMcf of natural gas per year, and to subsequently export the same gas back to Canada over a term of 15 years beginning November 1, 1990, 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. DOE/FE Opinion and Order No. 332, issued on September 12, 1989 (Order 332), is hereby amended to increase the volumes of natural gas that ICG Utilities (Ontario) Ltd. (ICG) is authorized to import from Canada from

8,267,250 Mcf (8,267 MMcf) per year to up to 10,220 MMcf of natural gas per year, and subsequently export back to Canada as part of a transportation arrangement to fuel ICG's system supply and a new proposed cogeneration facility at Fort Frances, Ontario, Canada. The term of the authorization remains the same as authorized by Order 332, beginning on November 1, 1990, and ending on October 31, 2005.

B. ICG shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., 20585, in writing of the date of the first import and the date of the first export authorized in Ordering Paragraph A above and Ordering Paragraph A of Order 332 within two weeks after each begins.

C. With respect to the imports and exports authorized by this Order, ICG shall file with the Office of Fuels Programs within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of gas have been made and, if so, giving, by month, the total volumes of imports and exports in Mcf.

Issued in Washington, D.C. on October 24, 1990.

--Footnotes--

1/ 1 FE Para. 70,253.

2/ 55 FR 33368, August 15, 1990.

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