

Cited as "1 FE Para. 70,373"

Northridge Petroleum Marketing U.S., Inc. (FE Docket No. 90-62-NG),  
October 25, 1990.

DOE/FE Opinion and Order No. 443

Order Granting Blanket Authorization to Export Natural Gas to Canada

## I. Background

On July 10, 1990, Northridge Petroleum Marketing U.S., Inc. (Northridge U.S.), filed an application pursuant to section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, to extend for two years its existing natural gas export authorization granted in DOE/ERA Opinion and Order No. 197 (Order 197).<sup>1/</sup> Northridge U.S. was authorized in Order 197 to export from the United States to Canada up to 300 Bcf of natural gas for a two-year period that expired on September 21, 1990. As a matter of procedural policy, DOE is treating Northridge U.S.'s filing as an application for a new authorization to export volumes not to exceed 300 Bcf of natural gas over a two-year period. Northridge U.S. intends to use existing pipeline facilities within the United States and at the international border for transportation of the exported gas.

Northridge U.S., a Colorado corporation with its principal place of business in Calgary, Alberta, Canada, proposes to export natural gas for its own account or as a broker or agent on behalf of U.S. and/or Canadian suppliers and/or foreign purchasers. The natural gas will be supplied by various Canadian and U.S. suppliers, and will be sold on a short-term or spot-market basis to purchasers in Canada. Gas supplied by Canadian suppliers will be imported into the United States by Northridge U.S. using its import authorization granted in DOE/FE Opinion and Order No. 339 (Order 339),<sup>2/</sup> transported through U.S. territory, and then exported for delivery to the foreign purchaser. Northridge U.S. states that the contractual arrangements will be the product of arms-length negotiations and will be responsive to market conditions for natural gas.

A notice of the application was issued on September 6, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by October 12, 1990.<sup>3/</sup> No comments were received.

## II. Decision

The application filed by Northridge U.S. 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."<sup>4/</sup> 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.

Northridge U.S.'s uncontested export proposal, as set forth in the application, is consistent with section 3 of the NGA and DOE's international gas trade policy. It is FE's opinion that current domestic gas supplies, coupled with the short-term, market-responsive nature of the contracts into which Northridge U.S. 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, Northridge U.S.'s proposal, like other blanket export proposals that have been approved by the DOE,<sup>5/</sup> will further the Secretary's policy goals of reducing trade barriers by encouraging market forces to achieve a more competitive distribution of goods between the U.S. and Canada. Thus, Northridge U.S.'s 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 Northridge U.S. blanket authority to export a total of up to 300 Bcf of natural gas from the U.S. to Canada 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.<sup>6/</sup>

#### ORDER

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

A. Northridge Petroleum Marketing U.S., Inc. (Northridge U.S.) is authorized to export a total of up to 300 Bcf of natural gas from the United States to Canada during a two-year period commencing on the date of the first delivery.

B. Northridge U.S. 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, Northridge U.S. 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, Northridge U.S. 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 25, 1990.

--Footnotes--

1/ 1 ERA Para. 70,728 (October 20, 1987).

2/ 1 FE Para. 70,250 (October 10, 1989).

3/ 55 FR 37524, September 12, 1990.

4/ 15 U.S.C. Sec. 717b.

5/ See e.g., Kimball Energy Corporation, 1 FE Para. 70,330 (June 26, 1990); Dynasty Gas Marketing, Inc., 1 FE Para. 70,306 (February 26, 1990); and Unicorp Energy Inc., 1 FE Para. 70,307 (March 9, 1990).

6/ 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).