

Cited as "1 FE Para. 70,384"

ICG Energy Marketing, Inc. (FE Docket No. 90-77-NG), November 23, 1990.

DOE/FE Opinion and Order No. 455

Order Granting Blanket Authorization to Export Natural Gas to Canada

I. Background

On August 31, 1990, ICG Energy Marketing, Inc. (ICG Energy Marketing) 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, requesting blanket authorization to export up to 2 Bcf of natural gas to Canada over a two-year term beginning on the date of first export. The company intends to use existing domestic pipeline facilities for the transportation of the gas supplies to be exported.

ICG Energy Marketing is a wholly owned subsidiary of Canadian Hydrocarbons Marketing, Inc., which in turn is a subsidiary of ICG Utilities (Canada). Its ultimate parent corporation is Westcoast Energy Inc. ICG Energy Marketing was formed for the purpose of marketing natural gas in Canada and the United States. The company intends to export natural gas for its own account or as agent for suppliers or purchasers, for spot or short-term sales to Canadian purchasers including, but not limited to, commercial and industrial end-users and local distribution companies, or for re-import under the applicant's existing blanket import authority^{1/} for sale to U.S. purchasers.

In support of its application, ICG Energy Marketing maintains that there is no present domestic need for the gas to be exported and that such need is unlikely because of the short-term nature of the requested authorization. In addition, the company holds that its export proposal will advance U.S. goals to reduce trade barriers and to encourage a more competitive and efficient distribution of goods between the United States and Canada.

A notice of the application was published in the Federal Register on October 9, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by November 9, 1990.^{2/} No comments or motions to intervene were received.

II. Decision

The application filed by ICG Energy Marketing 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 import or 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.

ICG Energy Marketing'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. FE finds that the current supplies of domestic gas, coupled with the short-term, market-responsive nature of the contracts into which ICG Energy Marketing proposes to enter, indicate that it is unlikely the proposed export volumes will be needed domestically during the term of this authorization. Further, FE finds that ICG Energy Marketing's proposed export of domestic natural gas to Canada, like other blanket export proposals that have been approved by DOE,^{4/} will further the Secretary of Energy'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.

After taking into consideration all of the information in the record of this proceeding, I find that granting ICG Energy Marketing blanket authorization to export up to 2 Bcf of U.S. domestic natural gas to Canada over a two-year term, under contracts with terms of up to two years, beginning on the date of first export, is not inconsistent with the public interest.^{5/}

ORDER

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

A. Authorization is hereby granted to ICG Energy Marketing, Inc. (ICG Energy Marketing) to export to Canada up to 2 Bcf of natural gas over a two-year term commencing on the date of first export.

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

C. Within two weeks after deliveries begin, ICG Energy Marketing 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 of the date that the first export authorized in Ordering Paragraph A above occurs.

D. With respect to the exports authorized by this Order, ICG Energy Marketing shall file with the Office of Fuels Programs, 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 agreement(s), transporter(s), points of entry or exit, and market(s) served.

Issued in Washington, D.C., on November 23, 1990.

--Footnotes--

1/ On March 31, 1989, DOE issued a blanket authorization to ICG Energy Marketing to import natural gas from Canada under DOE/FE Opinion No. 306.

2/ 55 FR 41132, October 9, 1990.

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

4/ See e.g., Access Energy Corporation, 1 FE Para. 70,361 (October 10, 1990); Transco Energy Marketing Company, 1 FE Para. 70,359 (October 9, 1990); and Tejas Power Corporation, 1 FE Para. 70,358 (October 9, 1990).

5/ Because the proposed exportation of gas will use existing facilities, the DOE has determined that granting this application is 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).