

Cited as "1 FE Para. 70,390"

Access Energy Corporation (FE Docket No. 90-81-NG), December 20, 1990.

DOE/FE Opinion and Order No. 462

Order Granting Blanket Authorization to Import Natural Gas, Including Liquefied Natural Gas

I. Background

On September 19, 1990, Access Energy Corporation (Access) 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 import up to 296 Bcf of natural gas, including liquefied natural gas (LNG), from Canada, Mexico and other countries over a two-year term beginning on the date of first delivery. The company intends to use existing facilities for the imports.

Access, a Delaware corporation with its principal place of business in Dublin, Ohio, is engaged in the marketing of natural gas throughout the United States and Canada. Access intends to import natural gas under short-term or spot-market sales arrangements for its own account or as agent for other parties. Access asserts that the proposed import authorization would allow it to make alternative supplies of gas available to a wide range of markets in the United States, including pipelines, local distribution companies and commercial and industrial end-users.

A notice of the application was published in the Federal Register on October 30, 1990, inviting protests, motions to intervene, notices of intervention, and comments to be filed by November 29, 1990.^{1/} No comments were received.

II. Decision

The application filed by Access has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA. Under section 3, an import must be authorized unless there is a finding that it "will not be consistent with the public interest."^{2/} The determination is guided by DOE's natural gas import policy guidelines.^{3/} Under these guidelines, the competitiveness of an import in the markets served is the primary consideration for meeting the public interest test.

Access' uncontested import 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 Access' market-based approach for negotiating short-term imports will enhance competition in the North American gas market. The import authorization sought, similar to other blanket arrangements approved by DOE,^{4/} would provide Access with blanket approval, within prescribed limits, to negotiate and transact individual, short-term purchase and sales arrangements without further regulatory action. Transactions would be negotiated only where prices remain competitive. Each transaction must reflect the true value of the commodity being traded, or no gas sales would take place.

After taking into consideration all of the information in the record of this proceeding, I find that granting Access blanket authorization to import up to a 296 Bcf of natural gas, including LNG, from various countries over a two-year period under contracts with terms of up to two years, beginning on the date of first import, is not inconsistent with the public interest.^{5/}

ORDER

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

A. Authorization is hereby granted to Access Energy Corporation (Access) to import up to 296 Bcf of natural gas, including liquefied natural gas (LNG), over a two-year term commencing on the date of first delivery of the import.

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

C. Within two weeks after deliveries begin, Access 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 import authorized in Ordering Paragraph A above occurs.

D. With respect to the imports authorized by this Order, Access 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 the imports in Mcf and the average price for imports per MMBtu at the international border. The reports shall also provide the details of each import transaction, including the country of origin for imports, the names of the purchaser(s), and of the seller(s), including those other than Access, estimated or actual duration of the agreement(s), transporter(s), including any LNG tankers used, points of

exit, and market(s) served, and, if applicable, the per unit (MMBtu) demand/commodity charge breakdown of the price, any special contract price, adjustment clauses, and any take-or-pay or make-up provisions.

Issued in Washington, D.C., on December 20, 1990.

--Footnotes--

1/ 55 FR 45632, October 30, 1990.

2/ 15 U.S.C. Sec. 717b.

3/ 49 FR 6684, February 22, 1984.

4/ See, e.g., Vermont Gas Systems, Inc. 1 FE Para. 70,323 (June 7, 1990); Victoria Gas Corporation, 1 FE Para. 70,339 (July 30, 1990); and Nortech Energy Corporation, 1 FE Para. 70,343 (August 12, 1990).

5/ Because the proposed importation 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).