

Cited as "1 FE Para. 70,432"

Mock Resources, Inc. (FE Docket No. 91-01-NG), March 28, 1991.

DOE/FE Opinion and Order No. 489

Order Granting Blanket Authorization to Import Natural Gas from Canada

I. Background

On January 3, 1991, Mock Resources, Inc. (Mock), 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 authority to import from Canada up to 30 Bcf of natural gas over a two-year term beginning on the date of first delivery. Mock would use existing pipeline facilities to transport the natural gas.

Mock is a corporation organized in the State of California with its principal place of business in Pleasanton, California. In support of its application, Mock maintains that the proposed import is in the public interest and that specific terms of each import arrangement would be negotiated on an individual basis at market responsive prices. Mock, acting on its own behalf or for the account of other proposes to purchase the gas from a variety of Canadian suppliers and resell it to a wide range of markets in the United States, including pipelines, local distribution companies, and commercial and industrial end-users. Mock would file quarterly reports with FE giving details of individual import transaction.

A notice of the application was issued on January 31, 1991, inviting protests, motions to intervene, notices of intervention, and comments to be filed by March 11, 1991.^{1/} No interventions or comments were received.

II. Decision

The application filed by Mock 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/} With regard to imports, this 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.

Mock's import proposal, as set forth in the application, is consistent with section 3 of the NGA and DOE's international gas trade policy. The authorization sought, similar to other blanket arrangements approved by DOE,^{4/} would provide Mock with blanket import approval, within prescribed limits, to negotiate and transact individual, spot and short-term purchase arrangements without further regulatory action. The fact that each spot purchase will be voluntarily negotiated and market-responsive, as asserted in Mock's application, provides assurance that the transactions will be competitive with other natural gas supplies available to Mock.

After taking into consideration all of the information in the record of this proceeding, I find that authorizing Mock to import up to 30 Bcf of Canadian natural gas over a two-year term, beginning on the date of first delivery, under contracts with terms of two years or less, 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. Mock Resources, Inc. (Mock), is authorized to import up to 30 Bcf of Canadian natural gas, over a two-year term beginning on the date of first delivery.

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

C. Within two weeks after deliveries begin, Mock 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 that the first delivery of natural gas authorized in Ordering Paragraph A above occurs.

D. With respect to the natural gas imports authorized by this Order, Mock shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports have been made, and if so, giving, by month, the total volume of the imports in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including the names of the seller(s), and the purchaser(s), including those other than Mock, estimated or actual duration of the agreement(s), transporter(s), points of entry, 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 March 28, 1991.

--Footnotes--

1/ 56 FR 5213, February 8, 1991.

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

3/ 49 FR 6684, February 22, 1984.

4/ See, e.g., Petro-Canada Hydrocarbons Inc., 1 FE Para. 70,383 (November 23, 1990); Neste Trading (USA), Inc., 1 FE Para. 70,392 (December 20, 1990); and CanStates Petroleum Marketing, 1 FE Para. 70,403 (January 25, 1991).

5/ Because the proposed importation of gas will use existing facilities, 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).