

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

GOETZ ENERGY CORPORATION

)
) FE DOCKET NO. 92-63-NG
)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS

DOE/FE OPINION AND ORDER NO. 658

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August 6, 1991

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I. BACKGROUND _____

On May 18, 1992, Goetz Energy Corporation (Goetz), 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 140 Bcf of Canadian natural gas over a two-year term beginning on the date of first delivery. Goetz proposes to use existing pipeline facilities to import the natural gas, and will file quarterly reports detailing each import transaction. No new construction would be involved.

Goetz, a New York corporation with its principal place of business in Buffalo, New York, is a marketer of oil and natural gas in the United States. The proposed imports of Canadian natural gas would be for its own account or as agent for U.S. purchasers and/or Canadian suppliers.

A notice of the application was issued on June 15, 1992, inviting protests, motions to intervene, notices of intervention, and comments to be filed by July 20, 1992.^{1/} No interventions

or comments were received.

II. DECISION _____

The application filed by Goetz 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

1/ 57 FR 27251, June 18, 1992. _____

"will not be consistent with the public interest."^{2/} This
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determination is guided by DOE's natural gas import policy
guidelines.^{3/} Under these guidelines, the competitiveness of
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an import in the markets served is the primary consideration for
meeting the public interest test.

Goetz's uncontested import proposal, as set forth in the
application, is consistent with section 3 of the NGA and DOE's
natural gas import policy guidelines. Under Goetz's import
arrangement, transactions will only occur when producers and
sellers can provide spot or short-term volumes, customers need
such import volumes, and prices remain competitive. Therefore,
Goetz's import proposal will further the Secretary of Energy's
policy to reduce trade barriers by encouraging competition
between the U.S. and Canada natural gas suppliers and purchasers.
The authorization sought, similar to other blanket arrangements
approved by DOE,^{4/} would provide Goetz with blanket import
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approval, within prescribed limits, to negotiate and transact
individual, spot and short-term purchase arrangements without
further regulatory action.

After taking into consideration all of the information in the
record of this proceeding, I find that authorizing Goetz to

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

3/ 49 FR 6684, February 22, 1984. -

4/ See, e.g., Enron Gas Marketing, Inc., 1 FE 70,512 -

(December 18, 1991); Fina Natural Gas Company, 1 FE 70,517

(December 27, 1991); Petro Source Corporation , 1 FE 70,537

(February 24, 1992); and Enserch Gas Company, 1 FE 70,558

(April 10, 1992).

import up to 140 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/}

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ORDER

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

A. Goetz Energy Corporation (Goetz) is authorized to import up to 140 Bcf of Canadian natural gas over a two-year term beginning on the date of the first delivery.

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

C. Within two weeks after deliveries begin, Goetz shall provide written notification to the Office of Fuels Programs, Fossil Energy, Room 3F-056, 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 occurred.

5/ Because the proposed import/export 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 1508.4 and 57 FR 15122 (April 24, 1992).

D. With respect to the natural gas imports authorized by this Order, Goetz shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether sales of imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Goetz must report monthly total volumes in Mcf, and the average sales price per MMBtu at the international border. The reports shall also provide the details of each import transaction, including (1) the names of the seller(s); (2) the names of the purchaser(s), including those other than Goetz; (3) estimated or actual duration of the agreement(s); (4) the names of the U.S. transporter(s); (5) the points of entry or exit; (6) the market(s) served; (7) whether the sales are being made on an interruptible or firm basis; and, (8) if applicable, the per unit (MMBtu) demand, commodity and reservation charge, breakdown of the price, any special contract price adjustment clauses, and any take-or-pay or make-up provisions. Failure to file quarterly reports may result in termination of this authorization.

E. The first quarterly report required by Ordering Paragraph D of this order is due not later than October 30, 1992, and should cover the period from the effective date of this order until the end of that calendar quarter, September 30, 1992.

Issued in Washington, D.C., on August 6, 1992.

Charles F. Vacek
Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy