UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ANADARKO TRADING COMPANY	FE DOCKET NO. 92-76-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS
FROM CANADA

DOE/FE OPINION AND ORDER NO. 665

SEPTEMBER 11, 1992

I. BACKGROUND

On June 22, 1992, Anadarko Trading Company (ATC) 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 from Canada up to 30 Bcf of natural gas over a two-year term, beginning on the date of first delivery. ATC is a Delaware corporation with its principal place of business in Houston, Texas. ATC proposes to sell gas imported under this order to a variety of industrial and agricultural end users, electric utilities, pipelines and distribution companies. ATC will use existing facilities to import the proposed volumes, and will file quarterly reports detailing each import transaction.

In support of its import request, ATC states that the gas will be purchased from individual producers and other suppliers under short-term contracts which will be negotiated in response to market conditions. ATC also states that the gas it imports will be sold to a variety of purchasers in the United States. Therefore, ATC asserts that its import proposal is consistent with DOE's policy guidelines for imported natural gas and is not inconsistent with the public interest.

A notice of the application was published in the Federal Register on July 29, 1992, inviting protests, motions to intervene, notices of intervention and comments to be filed by

August 28, 1992.1/ No comments or motions to intervene were received.

II. DECISION

The application filed by ATC 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/ This determination is directed 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.

ATC'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. The import authorization sought by ATC, similar to other blanket import arrangements approved by DOE4/, will provide ATC with blanket approval, within prescribed limits, to negotiate and transact individual, spot and short-term import arrangements without further regulatory action. Under ATC's proposed import arrangement,

1/ 57 F.R. 33497.

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

3/ 49 F.R. 6684 (February 22, 1984).

4/ E.g., Portland General Electric Co., 1 FE 70,455 (June 3, 1991); Cascade Natural Gas Corporation, 1 FE 70,457 (June 18, 1991); and North America Resources Company, 1 FE 70,461 (June 24, 1991).

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, ATC's import proposal will further the Secretary of Energy's policy goal to reduce trade barriers by encouraging competition between U.S. and Canadian gas suppliers and purchasers.

After considering all of the information in the record of this proceeding, I find that authorizing ATC to import from Canada up to 30 Bcf of natural gas over a two-year term, under contracts with terms of two years or less, beginning on the date of first delivery, is not inconsistent with the public interest.5/

ORDER

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

A. Anadarko Trading Company (ATC) is authorized to import from Canada up to 30 Bcf of 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 U.S./Canada border where existing pipeline facilities are located.

5/ Because the proposed import of gas will use existing facilities, DOE has determined that granting this authorization 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.); therefore, neither an environmental impact statement nor an environmental assessment is required. See 40 C.F.R. 1508.4 and 54 F.R. 15122 (April 24, 1992).

C. Within two weeks after deliveries begin, ATC 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 occurred.

D. With respect to the natural gas imports authorized by this order, ATC shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occurred, ATC must report monthly total volumes in Mcf and the average price per MMBtu at the international border. The reports shall also provide the details of each transaction, including (1) the names of the seller(s); (2) the names of the purchaser(s); (3) the estimated or actual duration of the agreements; (4) the names of the transporter(s); (5) the point(s) of entry; (6) the geographic markets served; and, if applicable (7) the per unit (MMBtu) demand/commodity/ reservation charge breakdown of the contract price, any special contract price adjustments 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 is due no later than October 30, 1992, and should cover the period from the date of this order until the end of the current calendar quarter, September 30, 1992.

Issued in Washington, D.C., on September 11, 1992.

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