

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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AMOCO ENERGY TRADING CORPORATION) FE DOCKET NO. 92-91-NG
_____)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS
FROM CANADA

DOE/FE OPINION AND ORDER NO. 668

September 11, 1992

I. BACKGROUND

On July 10, 1992, Amoco Energy Trading Corporation (Amoco), filed an application with the Office of Fossil Energy 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 300 Bcf of natural gas over a two-year term, beginning on the date of first delivery after September 22, 1992, the day Amoco's current two-year blanket authorization expires. 1/ Amoco will use existing facilities to import the proposed volumes.

Amoco, a Delaware corporation with its principal place of business in Houston, Texas, is a subsidiary of Amoco Corporation. Amoco proposes to import gas, acting either on its own behalf or as an agent for others, for sale to a variety of purchasers in U.S. markets, including industrial and agricultural end-users, electric utilities, pipelines, and distribution companies. The gas to be imported by Amoco will be supplied by individual producers, producer groups, associations, and pipeline companies, and the terms of the supply contracts will be negotiated in response to market conditions.

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

1/ See DOE/FE Opinion and Order No. 423, 1 FE 70,351 (September 21, 1990).

August 28, 1992. 2/ No comments or motions to intervene were
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 received.

II. DECISION _____

The application filed by Amoco 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." 3/ This determination is
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 directed by DOE's natural gas import policy guidelines. 4/ Under
 these guidelines, the competitiveness of an import in the markets
 served is the primary consideration for meeting the public interest
 test.

Amoco'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 Amoco, similar to other blanket import arrangements
 approved by DOE, 5/ will provide Amoco with blanket approval,
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 within prescribed limits, to negotiate and transact individual,
 spot and short-term import arrangements without further regulatory
 action. Under Amoco's proposed import arrangement,
 transactions would only occur when producers and sellers can

2/ 57 F.R. 33497. _____

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

4/ 49 F.R. 6684 (February 22, 1984). _____

5/ E.g., Amoco Canada Marketing Corporation, 1 FE 70,594 (June
— 12, 1992); Williams Gas Marketing Company, 1 FE 70,583 (May 29,
1992); and CU Energy Marketing Inc., 1 FE 70,596 (June 12, 1992).

provide spot or short-term volumes, customers need such import volumes, and prices remain competitive. Therefore, Amoco'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 Amoco to import from Canada up to 300 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 after September 22, 1992, is not inconsistent with the public interest. 6/

ORDER

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

A. Amoco Energy Trading Corporation (Amoco) is authorized to import from Canada up to 300 Bcf of natural gas over a two-year term, beginning on the date of first delivery after September 22, 1992.

6/ Because the proposed import/export 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).

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

C. Within two weeks after deliveries begin, Amoco 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, Amoco shall file 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, Amoco 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 September 23, 1992 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