Cited as "1 ERA Para. 70,727"

Goetz Oil Corporation (ERA Docket No. 87-41-NG), October 19, 1987.

DOE/ERA Opinion and Order No. 196

Order Granting Blanket Authorization to Import Natural Gas

I. Background

On July 28, 1987, Goetz Oil Corporation (Goetz) filed an application with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE), pursuant to Section 3 of the Natural Gas Act (NGA), for blanket authorization to import up to 140 Bcf of natural gas during a two-year period, beginning on the date of the first delivery.

Goetz is a New York corporation with its principal place of business in Tonawanda, New York. Goetz proposes to import the natural gas through existing facilities, specifically those at Emerson and Niagara Falls, Ontario; it does not propose any new construction.

Goetz proposes to purchase its gas from Shell Canada Limited and Western Gas Marketing Limited, and various other reliable suppliers. Goetz intends to act as an agent to import natural gas for its own account as well as for Canadian and U.S. purchasers. Goetz states that the gas will be resold to end-users and local distribution companies in the United States.

Goetz intends to notify the ERA of the date of first delivery of the gas and to file quarterly reports within 30 days following each calendar quarter.

The ERA issued a notice of this application on August 7, 1987, inviting protests, motions to intervene, notices of intervention, and comments to be filed by September 17, 1987.1/ Motions to intervene without comment or request for additional procedures were filed by El Paso Natural Gas Company and Northwest Alaskan Pipeline Company. This order grants intervention to these movants.

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 is to be authorized unless there is a finding that it "will not be consistent with the public interest." 2/ The

Administrator is guided by the DOE's natural gas import policy guidelines.3/ Under these guidelines, the competitiveness of an import in the market served is the primary consideration for meeting the public interest test.

Goetz's proposed arrangement for importing gas, as set forth in the application, is consistent with the DOE policy guidelines. The import authorization sought would provide Goetz with blanket import approval, within prescribed limits, to negotiate and transact individual, short-term purchase arrangements without further regulatory action, and, thus, is similar to other blanket authorizations approved by the ERA.4/ The fact that each spot purchase will be voluntarily negotiated, short-term, and market-responsive, as asserted in Goetz's application, provides assurance that the transactions will be competitive. Under the proposed import, Goetz will only purchase gas to the extent it needs such volumes and the price is competitive. Thus, this arrangement will enhance competition in the marketplace. Further, no party objected to the proposed import.

After taking into consideration all the information in the record of this proceeding, I find that granting Goetz blanket authority to import up to 140 Bcf of natural gas during a term of two years 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. Goetz Oil Corporation (Goetz) is authorized to import up to 140 Bcf of natural gas during a two-year period, 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. Goetz shall notify the ERA in writing of the date of the first delivery of natural gas authorized in Ordering Paragraph A above within two weeks after deliveries begin.

D. With respect to the imports authorized by this Order, Goetz shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether purchases of imported gas have been made, and if so, giving, by month, the total volume of the imports in MMcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each transaction, including the names of the seller(s), and the purchaser(s) if other than Goetz, estimated or actual duration of the agreement(s), transporter(s), points of entry, 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 makeup provisions.

E. The motions to intervene, as set forth in this Opinion and Order, are hereby granted, provided that participation of the intervenors shall be limited to matters specifically denied, and that admission of such intervenors shall not be construed as recognition that they might be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on October 19, 1987.

--Footnotes--

1/ 52 FR 30947, August 18, 1987.

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

3/ 49 FR 6684, February 22, 1984.

4/ See e.g., American Central Gas Pipeline Corporation, 1 ERA Para. 70,709 (June 29, 1987); Chevron Natural Gas Services, Inc., 1 ERA Para. 70,716 (August 4, 1987); Cherhill Resources, Inc., 1 ERA Para. 72,716 (August 10, 1987); American Natural Gas Corporation, 1 ERA Para. 72,718 (August 14, 1987); and Kimball Energy Corporation, 1 ERA Para. 72,720 (August 19, 1987).

5/ Because the proposed importation of gas will use existing pipeline facilities, the DOE has determined that granting this application is clearly 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.