UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

TENASKA MARKETING VENTURES	)	FE DOCKET NO. 91-77-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE OPINION AND ORDER NO. 588

FEBRUARY 28, 1992

I. BACKGROUND

On September 19, 1991, Tenaska Marketing Ventures (TMV) 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 up to 100,000 Mcf per day and up to a total volume of 73.0 Bcf of Canadian natural gas over a two-year period beginning on the date of first delivery. TMV intends to use existing pipeline facilities to import gas, and to file quarterly reports with FE giving the details of each transaction.

TMV, a Nebraska partnership and a gas marketer with its principal place of business in Omaha, Nebraska, requests authority to import natural gas from a variety of Canadian suppliers for sale to various U.S. purchasers, which may include local distribution companies, pipelines, other marketers, and end-users. TMV currently purchases gas from various domestic producers but seeks to supplement its current supply of gas from Canadian sources. TMV states that the gas would be imported under freely negotiated contracts with market-responsive terms.

A notice of the application was issued on November 22, 1991, inviting protests, motions to intervene, notices of intervention, and comments to be filed by December 30, 1991. 1/ No comments or motions to intervene were received.

1/ 56 FR 61003, November 29, 1991.

II. DECISION

The application filed by TMV 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.

TMV's uncontested import proposal for natural gas, as set forth in the application, is consistent with section 3 of the NGA and DOE's import policy guidelines. The authorization sought, similar to other blanket arrangements approved by DOE, 4/ would provide TMV with blanket 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 under market-responsive terms, as asserted in TMV's application,

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

3/ 49 FR 6684, February 22, 1984.

4/ See, e.g., Southwest Gas Corporation, 1 FE Para. 70,487

(October 25, 1991); Washington Natural Gas Company, 1 FE Para. 70,483 (October 8, 1991); and Cibola Corporation, 1 FE Para. 70,480 (September 9, 1991).

provides assurance that the transactions will be competitive with other natural gas supplies available to TMV.

After taking into consideration all of the information in the record of this proceeding, I find that granting TMV blanket authorization to import up to 73.0 Bcf of Canadian 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 and should be approved. 5/

ORDER

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

A. Tenaska Marketing Ventures (TMV) is authorized to import up to 73.0 Bcf of natural gas from Canada 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 that does not require the construction of new facilities.

C. Within two weeks after deliveries begin, TMV shall provide written notification to the Office of Fuels Programs

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).

(OFP), Fossil Energy, 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 occurs.

D. With respect to the natural gas imports authorized by this Order, TMV shall file within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made, and if so, giving by month, the total volume of 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 (1) the names of the seller(s) and the purchaser(s); (2) estimated or actual duration of the agreements; (3) transporter(s); (4) point(s) of entry; (5) geographic market(s) served; and, if applicable, (6) the per unit (MMBtu) demand/commodity charge breakdown of the contract price; (7) any special contract price adjustment clauses; and (8) any take-or-pay or make-up provisions. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. Failure to file quarterly reports may result in termination of this authorization.

E. The first quarterly report required by Ordering Paragraph D above is due not later than April 30, 1992, and should cover the period from the date of this Order until the end of the current calendar quarter, March 31, 1992.

Issued in Washington, D.C., on February 28, 1992.

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