

Cited as "1 ERA Para. 70,542"

Montana Power Company (ERA Docket No. 79-16-NG), July 20, 1981

DOE/ERA Opinion and Order No. 23A

Final Decision Approving the Application of Montana Power Company to Import Natural Gas from Canada

I. Background

In Opinion and Order No. 23, issued October 23, 1980, the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) conditionally authorized Montana Power Company (MPC) to import approximately 1,060 Mcf per day, or 364,000 Mcf in any consecutive 12-month period, for a total contract quantity of approximately 3,707,000 Mcf of natural gas ending December 31, 1993.^{1/} Such gas would be purchased from Canadian-Montana Pipe Line Company at a price of U.S. \$4.94 per MMBtu, the current international border price for gas exported from Canada to the U.S.^{2/}

To effect this import MPC proposed to construct approximately one mile of a 41/2 inch pipeline from a point at the U.S.-Canadian border to a point of interconnection with the applicant's existing gathering system in Montana. Pursuant to DOE Delegation Order No. 0204-55, 44 FR 56736 (Oct. 2, 1979), the Federal Energy Regulatory Commission (FERC) has jurisdiction over this facility construction. Accordingly, MPC filed an appropriate application with the FERC, Docket No. CP79-401.

An environmental review of these facilities, particularly by the FERC, was required. Because the environmental review had not been completed by the date Opinion and Order No. 23 was issued, ERA was precluded from issuing a final authorization. Accordingly, ERA granted a "conditional" authorization^{3/} stipulating that final authorization was withheld pending "completion, and review by ERA, of any FERC environmental analysis on this project." Following completion of the FERC review, DOE intended to conduct its own environmental review of the import and issue a final order.

II. FERC and ERA Environmental Determinations

The FERC conducted a review of this facility in coordination with the Bureau of Indian Affairs and the Montana State Historic Preservation Office. In its Environmental Assessment of May 21, 1981, the FERC concluded that the pipeline construction did not constitute a major Federal action significantly

affecting the quality of the human environment. The FERC also found the facility construction would cause no significant impact to the wetland area, no federally listed endangered species or threatened species would be affected and no cultural resources exist in the pipeline corridor.

The DOE has also conducted an environmental review and found that "... the Department's action on this application is clearly not a major Federal action significantly affecting the quality of the human environment within the meaning of Section 102(2)(c) of the NEPA. Accordingly, no further documentation need be prepared by the Department of Energy." 4/

III. Decision

We have carefully reviewed the environmental determinations made by FERC and DOE on this project. We are satisfied that there will be no adverse environmental impact resulting from the project. Therefore, no further environmental studies are required. Based upon the FERC and DOE determinations which support granting the MPC application we hereby make our conditional authorization final.

Order

For the reasons set forth above, ERA hereby orders that:

A. Pursuant to authority under Section 3 of the Natural Gas Act, and with the condition set forth in Ordering Paragraph B of Opinion and Order No. 23 having been met, final authorization is hereby granted to Montana Power Company to import up to approximately 1,060 Mcf of natural gas per day or up to approximately 364,000 Mcf of natural gas per year, at a price not to exceed U.S. \$4.94 MMBtu, through December 31, 1993, pursuant to the terms of its purchase agreement with the Canadian exporter, dated May 1, 1979.

Issued in Washington, D.C. on July 20, 1981.

--Footnotes--

1/ DOE/ERA Opinion and Order No. 23, issued on October 23, 1980, Montana Power Company, in ERA Docket No. 79-16-NG (1 ERA Para. 70,522, Federal Energy Guidelines).

2/ ERA found the current border price of U.S. \$4.94 per MMBtu reasonable in Opinion and Order No. 29 Pacific Gas Transmission Company, et al., in ERA Docket No. 81-09-NG et al. (1 ERA Para. 70,528, Federal Energy Guidelines).

3/ See Ordering Paragraph B, DOE/ERA Opinion and Order No. 23, issued on October 23, 1980, Montana Power Company, in ERA Docket No. 79-16-NG (1 ERA Para. 70,520, Federal Energy Guidelines).

4/ See June 15, 1981 Memorandum from Robert J. Stern, Director, NEPA Affairs Division, entitled "National Environmental Policy Act (NEPA) Determination for an Application by Montana Power Company to Import Natural Gas, Docket No. 79-16-NG."

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ERA DOCKET NO. 79-16-NG

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