

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

\_\_\_\_\_)  
GOETZ ENERGY CORPORATION ) FE DOCKET NO. 90-74-NG  
\_\_\_\_\_)

FINAL ORDER GRANTING LONG-TERM AUTHORIZATION TO  
EXPORT AND IMPORT NATURAL GAS TO AND FROM CANADA

DOE/FE ORDER NO. 467-A

\_\_\_\_\_

JANUARY 19, 1993

I. BACKGROUND

---

On August 24, 1990, as amended on September 28, 1990, Goetz Energy Corporation (Goetz) 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),<sup>1/</sup> requesting

—

authorization to export to Canada up to 25,000 Mcf per day of domestic natural gas at St. Clair, Michigan, and to import from Canada up to 25,000 Mcf per day of natural gas at Grand Island, New York, for a 15-year term utilizing the proposed Empire State Pipeline System (Empire). The term would commence on the date Empire is placed in service.

Goetz, a New York state company, is a marketer of natural gas and petroleum products to customers in a territory that includes Buffalo, Rochester, and Syracuse, New York. Goetz currently relies on CNG Transmission Corporation (CNG) to provide interruptible transportation for its customers behind interconnecting local distribution companies, including Rochester Gas and Electric Corporation, Niagara Mohawk Power Corporation, and certain customers of New York State Electric and Gas Corporation. Goetz also is dependent upon National Fuel Supply Corporation (NFSC) to provide interruptible transportation for its customers behind National Fuel Distribution Corporation (NFDC). The proposed export/import arrangement reflects the applicant's pursuit of natural gas supply and transportation

---

1/ 15 U.S.C. 717b.

---

diversification in order to lessen its dependence upon CNG and NFSC.

A notice of the application was published in the Federal Register on October 16, 1990, inviting protests, motions to intervene, notices of intervention and comments to be filed by November 15, 1990.<sup>2/</sup> A motion to intervene and protest was filed by CNG. Goetz was conditionally authorized in DOE/FE Opinion and Order No. 467 (Order 467) <sup>3/</sup> to export to Canada near St. Clair Michigan, up to 25,000 Mcf of domestic natural gas per day plus such additional gas as may be required for fuel use, and to reimport up to 25,000 Mcf of gas per day near Grand Island, New York, over a 15-year period beginning with commencement of service by Empire. After making preliminary findings on all non-environmental issues related to Goetz' application, the approval was conditioned on DOE review of an environmental analysis being prepared by the Federal Energy Regulatory Commission of the proposed Empire pipeline facilities needed to transport the gas and the subsequent issuance of a final order.

In granting this authorization, DOE found that the export/import arrangement would enhance the diversity, availability, and reliability of gas supplies to Goetz and its customers. DOE rejected objections to Goetz' application by CNG which questioned whether the proposed arrangement would adversely

---

2/ 55 FR 41873. —

3/ 1 FE 70,397 (December 28, 1990). —

affect gas availability in the markets to be served by Empire, whether the transportation arrangement would be pro-competitive and consistent with DOE's open access policies, and whether Goetz should identify domestic sources to be exported and imported. FE examined and addressed these arguments and found them to be without merit. CNG has not raised any new arguments or provided new information that would cause FE to change its decision.

## II. FINDING

---

On October 24, 1992, President Bush signed the Energy Policy Act of 1992 (Pub. L. 102-486). Section 201 amends section 3 of the NGA4/ to make a statutory finding in the new section 3(c)

that natural gas imports from, or exports to, a nation which has in effect a free trade agreement with the United States requiring national treatment for trade in natural gas, are consistent with the public interest. The authorization sought by Goetz to export and import natural gas to and from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and is therefore consistent with the public interest. DOE is required to grant export and import applications within the scope of section 3(c), such as Goetz', without modification or delay.

---

4/ 15 U.S.C. 717b.

—

## ORDER

---

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

A. Goetz Energy Corporation (Goetz) is authorized, commencing with the date that the Empire State Pipeline is placed in service, to export to Canada up to 25,000 Mcf per day of domestic natural gas, at St. Clair, Michigan, and to import from Canada 25,000 Mcf per day of natural gas at Grand Island, New York, for a 15-year term. This authorization supersedes the conditional authorization granted by DOE/FE Opinion and Order No. 467.

B. Within two weeks after deliveries begin, Goetz shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. Goetz shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports showing by month, the total monthly volume of natural gas exports by point of exit and imports by point of entry in Mcf. If no exports/imports have been made, a report of "no activity" for that calendar quarter must be filed.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than 30 days after the end of the quarter in which deliveries begin.

Issued in Washington, D.C., on January 19, 1993.

---

James G. Randolph  
Assistant Secretary for Fossil Energy