

Cited as "1 FE Para. 70,464"

Brymore Energy Inc. (FE Docket No. 91-17-NG), July 9, 1991.

DOE/FE Opinion and Order No. 518

Order Granting Blanket Authorization to Import Natural Gas from Canada

I. Background

On February 25, 1991, Brymore Energy Inc. (BEI), 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) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authority to import from Canada up to 200 Bcf of natural gas over a two-year term beginning on the date of first delivery after the expiration of FE/DOE Opinion and Order 282-A 1/ on August 19, 1991. BEI would use existing pipeline facilities to transport the natural gas.

BEI is a Delaware corporation and has its principal place of business in Las Vegas, Nevada. In support of its application, BEI maintains that the proposed import is in the public interest and that specific terms of each import arrangement would be negotiated on an individual basis at market responsive prices. BEI, acting on its own behalf or for the account of others, proposes to import the gas from reliable sources in Canada for sale to a wide range of markets in the United States, including pipelines, local distribution companies, and commercial and industrial end-users. BEI would file quarterly reports with FE giving details of individual import transaction.

A notice of the application was issued on March 28, 1991, inviting protests, motions to intervene, notices of intervention, and comments to be filed by May 3, 1991.2/ No interventions or comments were received.

II. Decision

The application filed by BEI 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/ With regard to imports, this determination is guided 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.

BEI's import proposal, as set forth in the application, is consistent with section 3 of the NGA and DOE's international gas trade policy. The authorization sought, similar to other blanket arrangements approved by DOE,5/ would provide BEI with blanket import 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 market-responsive, as asserted in BEI's application, provides assurance that the transactions will be competitive with other natural gas supplies available to BEI.

After taking into consideration all of the information in the record of this proceeding, I find that authorizing BEI to import up to 200 Bcf of Canadian natural gas over a two-year term, beginning on the date of first delivery after the expiration of FE/DOE Opinion and Order 282 on August 19,

1991, under contracts with terms of two years or less, is not inconsistent with the public interest.^{6/}

ORDER

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

A. Brymore Energy Inc. (BEI) is authorized to import up to 200 Bcf of Canadian natural gas over a two-year term beginning on the date of first delivery after the expiration of FE/DOE Opinion and Order 282 on August 19, 1991.

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

C. Within two weeks after deliveries begin, BEI shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, 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 occurs.

D. With respect to the natural gas imports authorized by this Order, BEI shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether imports have been made, and if so, giving, by month, the total volume of the 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 the names of the seller(s), and the purchaser(s), including those other than BEI, estimated or actual duration of the agreement(s), transporter(s), points of entry, and 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 make-up provisions.

Issued in Washington, D.C., on July 9, 1991.

--Footnotes--

1/ 1 ERA Para. 70,824 (November 10, 1988).

2/ 56 FR 13639, April 3, 1991.

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

4/ 49 FR 6684, February 22, 1984.

5/ See, e.g., Fuel Services Group, Inc., 1 FE Para. 70,410 (February 6, 1991); Transco Energy Marketing Company, 1 FE Para. 70,411 (February 7, 1991); CanadianOxy Marketing Inc., 1 FE Para. 70,412 (February 20, 1991); and Canadian Hydrocarbons Marketing (U.S.) Inc., 1 FE Para. 70,413 (February 20, 1991).

6/ 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).