

Cited as "1 FE Para. 70,455"

Portland General Electric Co. (FE Docket No. 91-15-NG), June 3, 1991.

DOE/FE Opinion and Order No. 509

Order Granting Blanket Authorization to Import Canadian Natural Gas and Granting Intervention

I. Background

On February 19, 1991, Portland General Electric Company (PGE) filed an application with the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127. PGE requested blanket authority to import up to 40 Bcf of Canadian natural gas over a two-year term from the date of first delivery.

PGE, an electric utility incorporated under the laws of the State of Oregon with its principal place of business in Portland, Oregon, is engaged in the marketing of natural gas, and is a wholly owned subsidiary of Portland General Corporation. PGE proposes to import natural gas from a variety of Canadian suppliers, which it intends to use as fuel for its Beaver and Bethel generating facilities. PGE may also, on occasion, resell surplus gas it cannot immediately use. The terms of each import, including the price and volumes, would be negotiated on an individual basis. PGE intends to use existing pipeline facilities to transport the gas and to file quarterly reports with FE giving details of the individual import transactions.

A notice of the application was issued on March 25, 1991, inviting protests, motions to intervene, notices of intervention, and comments to be filed by May 2, 1991. 1/ A motion to intervene without substantive comment or request for additional procedures was filed by Northwest Pipeline Corporation. This order grants intervention to this movant.

II. Decision

The application filed by PGE 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/ 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.

PGE's uncontested proposal for the importation of natural gas, as set forth in the application, is consistent with section 3 of the NGA and DOE's guidelines. The import authorization sought, similar to other blanket arrangements approved by DOE, 4/ would provide PGE with blanket import approval, within prescribed limits, to negotiate and transact individual, spot and short-term import arrangements without further regulatory action. The fact that each spot purchase will be negotiated voluntarily in response to market conditions, as asserted in PGE's application, provides assurance that the transactions will be competitive with other natural gas supplies available to PGE. Thus, PGE's import arrangement will enhance competition in the marketplace.

After taking into consideration all of the information in the record of

this proceeding, I find that granting PGE's blanket authorization to import up to 40 Bcf of natural gas over a two-year period beginning on the date of first delivery is not inconsistent with the public interest. 5/

ORDER

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

A. Portland General Electric Company (PGE) is authorized to import up to 40 Bcf of natural gas from Canada over 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 facilities are located.

C. Within two weeks after deliveries begin, PGE shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, FE-50, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import authorized in Ordering Paragraph A above occurs.

D. With respect to the imports authorized by this Order, PGE shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether sales of imported natural gas have been made, and if so, giving, by month, the total volume of the imports in Mcf and the average 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 PGE, estimated or actual duration of the agreement(s), transporter(s), point 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 make-up provisions.

E. The motion to intervene, as set forth in this Opinion and Order, is hereby granted, provided that participation of the intervenor shall be limited to matters specifically set forth in its motion to intervene and not herein specifically denied, and that the admission of this intervenor shall not be construed as recognition that it might be aggrieved because of any order issued in these proceedings.

Issued in Washington, D.C., on June 3, 1991.

--Footnotes--

1/ 56 FR 13466, April 2, 1991.

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

3/ 49 FR 6684, February 22, 1984.

4/ See, e.g., IGI Resources, Inc., 1 FE Para. 70,431 (July 30, 1990); Granite State Gas Transmission, Inc., 1 FE Para. 70,340 (July 30, 1990); and Development Associates, Inc., 1 FE Para. 70,334 (July 9, 1990).

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).