Cited as "1 ERA Para. 70,783"

Standard Gas Marketing Company (ERA Docket No. 88-12-NG), June 28, 1988.

DOE/ERA Opinion and Order No. 248

Order Granting Blanket Authorization to Export Natural Gas

I. Background

On March 18, 1988, Standard Gas Marketing Company (Standard) filed an application with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE), pursuant to Section 3 of the Natural Gas Act (NGA), for the blanket authorization to export up to 75 Bcf of natural gas during a two-period, beginning on the date of the first delivery.

Standard proposes to export the gas either on its own behalf or on the behalf of others, for resale to Canadian purchasers, including industrial and commercial and users, agricultural users, electric utilities, pipelines and distribution companies. The terms of each export arrangement would be negotiated in response to market conditions. Standard intends to use existing facilities and to comply with ERA's reporting requirements.

In support of its application, Standard notes the current excess of domestic gas supplies and states that the public interest will be served by expanded markets for domestic producers. Standard maintains that the proposed export will have a beneficial impact on the balance of trade and will advance the goals of the Free Trade Agreement.

The ERA issued a notice of this export application on April 6, 1988, inviting protests, motions to intervene, notices of intervention, and comments to be filed by May 12, 1988.1/ The ERA received no motions to intervene, requests for additional procedures or comments pertaining to this application.

II. Decision

The application filed by Standard has been evaluated to determine if the proposed export arrangement meets the public interest requirements of Section 3 of the NGA. Under Section 3, an export must be authorized unless there is a finding that it "will not be consistent with the public interest." 2/ In reviewing natural gas export applications, the ERA considers the domestic need for gas to be exported any other issues determined by the Administrator to be appropriate in a particular case.

Standard's proposed arrangement for the export of natural gas as set forth in the application, is consistent with the DOE's international gas trade policy and Section 3 of the NGA. The current gas surplus, the short term requested and the fact that no party objected to the proposed export, indicates that the domestic need for gas is not at this time and is unlikely to become an issue during the term of this authorization. The ERA also finds that Standard's export proposal, as in previous blanket export arrangements approved by the ERA3/, will advance the policy goals of reducing trade barriers and encouraging the use of market forces to achieve a more competitive and efficient distribution of goods between the U.S. and Canada.

After taking into consideration all of the information in the record of this proceeding, I find that granting Standard blanket authority to export up to 75 Bcf of natural gas during a term of two years is not inconsistent with the public interest.4/

ORDER

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

A. Standard Gas Marketing Company (Standard) is authorized to export up to 75 Bcf of natural gas during a two-year period, beginning on the date of first delivery.

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

C. Standard shall notify the ERA in writing of the date of first delivery of natural gas authorized in Ordering Paragraph A above within two weeks after deliveries begin.

D. With respect to the exports authorized by this Order, Standard shall file with the ERA within 30 days following each calendar quarter, quarterly reports indicating whether sales of exported gas have been made, and if so, giving, by month, the total volume of the exports in MMcf and the average selling price per MMBtu at the international border. The reports shall also provide the details of each transaction, including the names of the seller(s), and the purchaser(s), including those other than Standard, estimated or actual duration of the agreement(s), transporter(s), points of exits, 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 June 28, 1988.

--Footnotes--

1/ 53 FR 12058, April 12, 1988.

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

3/ See e.g., Shell Gas Trading Company, 1 ERA Para. 70,762 (March 8, 1988); Continental Natural Gas, Inc., 1 ERA Para. 70,747 (January 15, 1988); Victoria Gas Corporation, 1 ERA Para. 70,742 (December 17, 1988); and Valero Industrial Gas, L.P., 1 ERA Para. 70,730 (October 20, 1987).

4/ Because the proposed exportation of gas will use existing pipeline facilities, the DOE has determined that granting this application is clearly 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.