

Cited as "1 ERA Para. 70,827"

B.C. Gas Inc. (ERA Docket No. 88-72-NG), December 12, 1988.

DOE/ERA Opinion and Order No. 285

Emergency Order Granting Authorization to Export Natural Gas to Canada in Advance of Public Notice

I. Background

On November 30, 1988, B.C. Gas Inc. (B.C. Gas) 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),^{1/} for authorization to import from and export to Canada up to 2,164,122 Mcf of natural gas per year from the date of first delivery through April 30, 1996. The applicant, a Canadian gas distribution company, operates wholly within the Province of British Columbia. In addition to the long-term import/export request, B.C. Gas requests an interim emergency order for authorization to export to Canada gas currently stored for redelivery to B.C. Hydro to meet the demands for the 1988-89 winter heating season.

Since November 14, 1982, under an arrangement with the Washington Water Power Company (Water Power), B.C. Gas has imported gas for storage at Water Power's Jackson Prairie, Washington, facilities during the May to September non-heating season on behalf of its provincial customer B.C. Hydro. Pursuant to various supply and transportation agreements among B.C. Gas, Westcoast Transmission Company Limited (Westcoast), Water Power, Northwest Pipeline Corporation (Northwest), and B.C. Hydro, up to 60,115 Mcf per day of the gas held in storage for B.C. Gas is redelivered to Canada during the months from October to April to meet B.C. Hydro's peak-winter heating requirement.

B.C. Gas requests this interim emergency export authorization because its transporter, Northwest, invoked the force majeure provision in its contract with Westcoast and as a result of this action B.C. Gas believes that it will not be able to obtain transportation of its stored gas back into Canada. B.C. Gas states that it needs the requested short-term emergency authority to enable it to make alternative arrangements to export its gas to Canada to meet B.C. Hydro's peak demands during the present winter heating season.

II. Decision

The ERA has considered B.C. Gas' request for emergency interim export authority in light of our responsibility under Section 3 of the NGA and the immediate circumstances confronted by B.C. Gas. This interim arrangement involves no net export of U.S. supplies of gas and therefore does not require that we consider domestic need for the gas. Moreover, it is apparent that the ERA is faced with a request that can be honored only by an immediate action. Canada's heating season began more than two months ago and the delay inherent in providing the normal 30-day public comment period would expose B.C. Hydro to a severe supply interruption that neither it nor B.C. Gas could have reasonably anticipated or prevented.

Therefore, while ordinarily the ERA would take no action until expiration of the notice and comment period, B.C. Gas' application states reasons sufficient to justify the need for an emergency export authorization of limited duration. An export authorization at this time will allow B.C. Gas to make emergency arrangements to export to Canada its gas previously imported for seasonal storage under ERA import/export authority held by others but not now available to B.C. Gas.^{2/}

We are issuing contemporaneously a notice of the B.C. Gas application for a long-term import/export authorization and notice of this emergency order which will give the public an opportunity to participate in both proceedings. We will take whatever further action is determined to be in the public interest based on the results of these further proceedings.

In view of the above considerations and the facts asserted by the applicant, we conclude that granting this export authorization facilitating the redelivery of the applicant's gas stored at Jackson Prairie, Washington, for a limited term ending April 30, 1989, will not be inconsistent with the public interest.

ORDER

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

A. B.C. Gas Inc. is authorized to export to Canada up to 2,164,122 Mcf of Canadian storage gas at Jackson Prairie, Washington, from the date of issuance of this order through April 30, 1989.

B. B.C. Gas is authorized to export this gas at Sumas, Washington, only through existing pipeline facilities.

C. Pursuant to Ordering Paragraph A, there would be no daily limit on the amount of storage gas B.C. Gas may export during this emergency interim authorization period.

D. With respect to the exports authorized by this Order, B.C. Gas shall file with the ERA within 30 days following each calendar quarter, quarterly reports showing by month the total volume of natural gas exported in Mcf.

E. The authorization granted in Ordering Paragraphs A and B are subject to conditions and modifications as may result from further proceedings in this case.

Issued in Washington, D.C., on December 12, 1988.

--Footnotes--

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

2/ The ERA issued a similar emergency order to export gas to Mexico in advance of public notice to Valero Transmission Company in DOE/ERA Opinion and Order No. 55 on April 27, 1984. (1 ERA Para. 70,563).