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Part VII

Department of Energy

Office of Secretary
Economic Regulatory Administration

Natural Gas Imports; Policy Guidelines and Delegation Orders; Procedural Orders

DEPARTMENT OF ENERGY

Office of the Secretary

New Policy Guidelines and Delegation Orders From Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas

AGENCY: Department of Energy.

ACTION: Issuance by the Secretary of Energy of new policy guidelines and delegation orders, superseding current delegation orders, to the Administrator of the Economic Regulatory Administration and to the Federal Energy Regulatory Commission relating to importation of natural gas.

SUMMARY: These new delegation orders and policy guidelines are the result of a review of the federal government's policies and procedures for regulating the importation of natural gas into the United States. The guidelines set forth a new policy direction for gas import arrangements and provide the basis for authorizing import arrangements through revised regulatory procedures. The policy emphasis is on import agreements structured to supply natural gas to American consumers at competitive prices and responsive to changes in the markets served. The revised regulatory procedures are designed to implement the policy guidelines.

Modifications are made to the regulatory responsibilities for gas imports shared by the Economic Regulatory Administration and the Federal Energy Regulatory Commission. These are set forth in new delegation orders from the Secretary of Energy to the ERA Administrator and the Commission.

Introduction

The United States presently imports approximately 5 percent of its natural gas. Although this percentage is small on a national basis, certain regions of the country are dependent on imported gas for over 50 percent of their needs. While the quantity of gas imported into the U.S. has dropped significantly during the recent period of surplus domestic gas deliverability, imported gas will likely be increasingly required over the longer term to supplement domestic gas production. Most industry projections suggest a growing demand for imported gas later in this decade.

Natural gas is currently imported from Canada, Mexico, and Algeria. In 1983, 78 percent of imported gas came from Canada, 14 percent from Algeria, and 8 percent from Mexico. Most import contracts are relatively long-term, with some involving significant capital investment for transportation systems and related facilities. These costs, along with higher prices charged by gas exporters, have generally resulted in imported gas being more expensive than domestic natural gas.

Pipelines were willing to pay the higher cost of imported gas, until recently, because the higher cost imports were combined with substantial volumes of less expensive, price-controlled domestic gas in pipeline systems. In fact, many long-term import contracts were negotiated by U.S. pipelines on the assumption that lower priced domestic gas would continue to be available to offset higher cost imports and that competing oil prices would continue to rise. The Natural Gas Policy Act of 1978, which established a new system of price controls on domestic gas, reinforced the economic rationale of long-term import arrangements for high-priced gas. These economic factors, along with the determination of U.S. pipeline companies to protect against recurrence of the gas shortages experienced in the 1970's, were the major impetus behind many import arrangements in effect today.

Few foresaw five years ago the gas deliverability surplus that exists in the United States today. The effects of the economic recession, falling world oil prices, conservation efforts, and the increasing ability of industry to switch between oil and gas have lowered the demand for natural gas. This decreased demand—combined with long-term contracts containing high take-or-pay requirements for expensive domestic and imported gas, and the pricing regulations of the NGPA—has had severe economic consequences for the American gas consumer.

The cause of the situation can be traced to government regulation. In particular, wellhead price controls imposed by the NGPA, with 28 categories of gas at different prices, have thwarted the effects of supply and demand that otherwise would force competitive pricing and supply arrangements. Legislative proposals to reform the NGPA are currently before the Congress, and the Administration has proposed—and supports—legislation that removes price controls on gas and allows market forces to operate.

In its efforts to deregulate natural gas, the Administration has considered the question of legislative or administrative action affecting imported gas and has held the position that U.S. governmental action requiring changes to existing gas import contracts is inappropriate. While it is recognized that many import arrangements are similar to domestic supply contracts, with inflexible take-or-pay and pricing terms, important distinctions exist between international and domestic contracts that require a different approach to the problems associated with gas imports.

The foremost distinction is the matter of jurisdiction. Gas import arrangements are international commercial agreements, subject to the policies and laws of both the buyer's and the seller's governments. United States trade policy strongly supports contract sanctity as an important factor in international commercial transactions. Unilateral legislative or administrative action by the government to change agreements undermines this policy and the long-standing principles generally adhered to by this country in conducting trade.

Another distinction is the long-term need for, and reliance on, imported gas the the United States. While the U.S. is now experiencing a domestic gas deliverability surplus, the situation will likely change in the future. Governmental action that, in effect, unilaterally renegotiates gas import contracts to the short-term advantage of the U.S. could jeopardize gas import supplies when the demand for imported gas increases in the future.

The inappropriateness of unilateral governmental action to modify existing import arrangements does not argue against the need for changes. There is ample evidence that most imported gas is not competitive in the markets served, placing a heavy financial burden on U.S. gas consumers. Present import arrangements have all been subject to U.S. government regulatory review and authorization pursuant to provisions of the Natural Gas Act under policies of the former Federal Power Commission and, since 1977, the Department of Energy. The decisions on import applications issued by the FPC and the Administrator of the Economic Regulatory Administration (under authority delegated by the Secretary of Energy) have constituted governmental policy on natural gas imports.

In view of today's changed circumstances and the need to establish natural gas trade on a market-competitive basis, it is appropriate that the previous policies be assessed and policy changes be made, as needed. The policy guidelines set forth here are designed to establish natural gas trade on a market-competitive basis and to provide immediate as well as long-term benefits to the American economy from this trade.

The application of the policy to gas import regulatory proceedings is also set forth, as are changes in the regulatory responsibilities for imported gas shared by the Economic Regulatory Administration and Federal Energy Regulatory Commission. The Department of State, with its primary responsibility for foreign policy, will continue to be consulted on the foreign policy aspects of gas import regulatory decisions.

Gas Imports Policy Goal

The goal of these policy guidelines conforms with the goal of the President's 1983 National Energy Policy Plan " * * * to foster an adequate supply of energy at reasonable costs." The U.S. government has adopted two strategies to achieve this goal:

- To minimize federal control and involvement in energy markets, and
- To promote a balanced and mixed energy resource system.

The government's objective in the area of natural gas imports is that a supply of gas supplemental to domestic production be available to the American consumer at competitive prices, while avoiding undue dependence on unreliable sources of supply.

The market, not government, should determine the price and other contract terms of imported gas. U.S. buyers should have full freedom—along with the responsibility—for negotiating the terms of trade arrangements with foreign sellers. The federal government's primary responsibility in authorizing imports should be to evaluate the need for the gas and whether the import arrangement will provide the gas on a competitively prices basis for the duration of the contract while miminizing regulatory impediments to a freely operating market. In addition, the government must determine that the U.S. does not become unduly dependent on unreliable supplies.

The policy and regulatory guidelines herein will accomplish several important objective. First, they outline the basis upon which the federal government, to the extent that it regulates natural gas trade, concludes that future gas trade should be conducted. Suppliers of imported gas, and governmental authorities regulating the export of this gas, will have the benefit of knowing the policy and regulatory considerations that will be applied by this government in authorizing gas imports.

Second, the guidelines establish a regulatory framework for buyers and sellers to negotiate contracts based on traditional competitive and market considerations, with minimal regulatory constraints and conditions. The government, while ensuring that the public interest is adequately protected, should not interfere with buyers' and sellers' negotiation of the commercial aspects of import arrangements. The thrust of this policy is to allow the commercial parties to structure more freely their trade arrangements, tailoring them to the markets served. Thus, with the presumption that commercial parties will develop competitive arrangements, parties opposing an import will bear the burden of demonstrating that the import arrangement is not consistent with the public interest.

Third, the regulatory procedures and process are being simplified and rendered more expeditious, permitting prompter government review of proposed import arrangements.

Background on U.S. Gas Imports

In 1938 the Congress passed the Natural Gas Act, which assigned the Federal Power Commission responsibility, under section 3, for authorizing imports and exports of natural gas. The FPC was required to grant import and export authorizations unless it determined that they would "not be consistent with the public interest." Prior to the 1950's, imports of gas were negligible, with section 3 proceedings primarily involving gas exports.

In the early 1950's, the FPC started to authorize gas imports from Canada and Mexico. Imports from Mexico began in 1952, reaching about 50 Bcf annually in the mid-sixties, and by 1982, nearly 100 Bcf annually. Imports from Canada in the early 1950's were small, amounting to approximately 3 Bcf per year. The demand for Canadian gas increased, however, with annual imports in the 1970's averaging approximately 900 Bcf. Canadian gas exports in 1983 amounted to 713 Bcf, representing 78 percent of all U.S. natural gas imports.

Until the mid-1970's, the price for Canadian gas was negotiated by U.S. buyers and Canadian sellers on a cost-of-service basis.(*1*) The prices negotiated differed depending on the point of importation and market factors. The Canadian government, however, maintained the requirement of government approval of gas export prices.

As the volume of gas exports increased in the mid-1970's, the Canadian government took a more active pricing role, with the National Energy Board requiring exported gas to be priced "in relation to energy alternatives in the United States." (*2*) In 1973, after finding that gas exports were under-priced in relation to alternative fuels in the U.S., the NEB pursuaded exporters to increase prices, and in 1975, directed price escalations that increased the average border price from $1.00 to $1.60 (Cdn) per MMBtu. This development essentially ended the pricing of Canadian gas through buyer-seller negotiations.

In 1976, the NEB proposed a further increase in the average border price together with differentiated border prices set by the Canadian government that significantly raised the costs to U.S. customers. With the government of Canada now acting as a single seller of Canadian pipeline gas to the United States and about to unilaterally impose a system of differential border prices, the U.S. government objected. In a series of government-to-government consultations, the United States strongly opposed the price increases and the manner in which they were being determined without reliance upon buyer-seller negotiations. Rather than accept differential prices determined by the Canadian government, the U.S. proposed the concept of a uniform border price, which the Canadian government adopted in June 1976.

By April 1977, Canada had become a substantial net importer of crude oil, and the NEB determined that exported gas would be priced on the basis of the cost of displacing imported crude oil in Eastern Canada with Canadian gas. This concept—called "substitution value"—became the main criterion for the Canadian government's determination of the export price of gas. Because of the rapid escalation of the price of imported oil in the late 1970's, the NEB, using the substitution value concept, raised the border price six times between 1977 and 1981—from $1.94 (Cdn) to $4.94 (U.S.) per MMBtu.(*3*) These increases were approved by U.S. regulatory agencies because of rising prices of alternate fuels in the U.S.

Also in 1977, the Department of Energy Organization Act was passed by Congress. This Act abolished the Federal Power Commission and transferred authority over gas imports to the Secretary of Energy. The Secretary delegated primary responsibility for authorizing imports to the Administrator of the Economic Regulatory Administration. In reviewing gas import applications under section 3 of the Natural Gas Act, the ERA Administrator followed the guidelines set forth by the Secretary that required consideration of "the price proposed to be charged at the point of importation." (*4*) To this end, the Administrator assessed the reasonableness of the unit cost of an import on a case-by-case basis, using

the price of alternate fuels in the relevant geographic region as a basis for comparision.

When, in January 1980, the NEB announced an increase in the export price from $3.45 to $4.47 per MMTu, questions were raised by U.S. energy officials as to whether the Canadian substitution value approach resulted in reasonble prices to U.S. gas consumers. Discussions on this issue were held with Canadian energy officials in February 1980. On March 25, 1980, Canadian Energy Minister Lalonde proposed in a letter to U.S. Secretary of Energy Duncan a "Statement of Principles on Canadian Gas Export Pricing." This proposal suggested that Canadian gas exports be based on the average cost of crude oil imported into Eastern Canada, with certain transportation adjustments.

Secretary Duncan responded on March 26, 1980, that "To the extent the pricing mechanism * * * meets our regulatory requirements * * * [he] would support this mechanism for the pricing of Canadian natural gas." This exchange of letters constitutes what is now sometimes called the "Duncan-Lalonde agreement."

U.S. energy officials belived this understanding would result in greater price predictability and market stability. The Economic Regulatory Administration began using a national comparison test instead of comparing the import price with alternate fuels prices in a particular geographic region. The agency developed a composite alternate fuel oil price based on prices in major U.S. markets.(5) This method of measuring alternate fuels prices was considered appropriate when assessing a uniform border price for Canadian gas. It also provided gas importers guidance for use in negotiations with Canadian suppliers.

Near the time of the Duncan-Lalonde letters, new volumes of Mexican gas began to be imported. Uniformity in border prices for Canadian and Mexican gas was viewed by the U.S. as a desirable policy objective, and the ERA thus established a maximum authorized border price for Mexican gas equal to the Canadian border price.(6)

During the late 1960's and early 1970's, several American firms introduced plans to import liquefied natural gas from Algeria and Indonesia in the face of projected declines in U.S. gas supplies. Although Boston Gas Company occasionally imported Algerian LNG during the late 1960's, the Distrigas Corporation of Boston became the first regular LNG importer in 1971, with an authorization to import annually 15.4 million MMBtu from Algeria, primarily for winter peaking purposes in New England, New York, and New Jersey.

In early 1978 Columbia LNG Corporation, Consolidated System LNG Company and Southern Energy Company began to import approximately one Bcf per day of Algerian LNG for use in the mid-Atlantic and southeastern states. However, this project was suspended and effectively terminated in April 1980 when the parties failed to agree on price changes proposed by Sonatrach, the Algerian exporter. Several other proposed LNG import projects also were terminated, either after the ERA found that the pricing methods did not contain adequate consumer safeguards or because the projects encountered environmental opposition. On the other hand, the FPC authorized in 1977 an LNG import by the Trunkline LNG Company, which began in 1982 to import approximately 450,000 Mcf per day of Algerian LNG for base load use in the Midwest.

By the fall 1982, Canadian gas imports were entering U.S. pipelines in volumes and at a price that began to be uncompetitive in most U.S. markets. Consumers served by Canadian gas, as well as high-cost domestic gas and Algerian LNG, experienced large increases in the price of delivered gas. These circumstances were especially acute in the north central and western coastal states.

Late in 1982, informal discussions between the U.S. and Canadian governments began on problems relating to gas trade. These were followed by reactivation of the U.S.-Canadian Energy Consultative Mechanism (ECM), a forum established in 1979 by the governments for periodic exchanges on bilateral energy issues. A meeting of the ECM was held in February 1983, at which natural gas trade was a key agenda item; and following working group meetings and informal diplomatic discussions, a second ECM session was held in late September. At this second meeting, the U.S. proposed discontinuance of the uniform border price and the establishment of a new trade framework designed to put gas trade on a market-sensitive basis.

During 1983, the Canadian government announced three actions that affected the pricing of gas exports. In April it announced a reduction in the uniform border price from $4.94 to $4.40 per MMBtu and, in July, a price-discount arrangement, termed the Volume Related Incentive Pricing (VRIP) program, whereby gas purchased above certain base volumes is discounted to $3.40 per MMBtu.

A third action was taken on November 1, which involved changes to the VRIP program giving U.S. importers more flexibility in purchasing discounted gas.

Diplomatic efforts relating to imported gas from Algeria and Mexico were also undertaken in 1983. Officials from the departments of State and Energy held discussions with energy officials of the Algerian government, and although no governmental agreements or understandings encompass U.S.-Algerian gas trade, these discussions enabled both governments to review fully the current conditions and problems relating to their gas trade. Algerian officials received briefings on the U.S. gas market, the competitive position of Algerian gas, and U.S. policy direction with respect to domestic and imported gas. Similarly, U.S. energy officials met with Mexican officials in Mexico City in March 1983 to discuss U.S. gas market conditions. Mexico matched Canada's reduction of the border price from $4.94 to $4.40 per MMBtu on May 1, 1983.

During this period when the U.S. demand for imported gas dropped significantly, U.S. importers began efforts to renegotiate their contracts with foreign suppliers. These efforts resulted primarily in volume relief, providing substantial savings to U.S. gas consumers. Most recently, the importer of the largest volume of Algerian gas announced that effective December 12, 1983, it was suspending LNG purchases for an indefinite period. At this time, contract renegotiation activity between U.S. importers and foreign sellers continues, with some renegotiated contracts now before regulatory agencies for approval.

The Review of Gas Import Policy

During the past year an interagency review of U.S. gas import policy and regulations was undertaken involving the Department of Energy, Federal Energy Regulatory Commission, and Department of State, along with consultations with members of Congress and congressional staff. Public participation came primarily through two public conferences on imported gas sponsored by the Department of Energy.(7)

The first conference, held January 18, 1983, addressed problems of existing gas import arrangements. The majority of the conference participants—which included pipeline companies, distribution companies, end-users, state agencies, and consumer interests—asserted that a more flexible approach to pricing was needed, that prices

should be set by direct buyer-seller negotiations, and that governments should establish a simplified regulatory review process. Many indicated that load loss was a result of NGPA-allowed price rises, provisions of current contracts with high take-or-pay clauses and conservation effects from high gas costs—which could be reduced or reversed if buyers could negotiate more competitive prices and more reasonable take-or-pay provisions.

The second conference, held September 7–9, 1983, addressed specific issues relating to the implementation of policy changes recommended at the first conference. The majority of the nearly 90 presentations stated that the U.S. and Canadian governments should eliminate the uniform border price and develop a regulatory system that would allow for direct buyer-seller negotiations. General guidelines were favored over strict regulatory standards or criteria, with preference that the government maintain an oversight role to ensure that the interests of importers and their customers are protected.

The conclusions reached from the policy review process appear to be shared broadly by all interested parties to the gas trade issue. There is a common view that imported gas is generally not competitive in today's U.S. markets and that changes are required in governmental policy and regulations to bring about competitive gas trade. Buyers and sellers believe that government regulation prevents freely negotiated import arrangements and market-responsive adjustments to these arrangements. Virtually all parties believe that the governments, in regulating the terms and conditions of gas import trade, have previously sanctioned arrangements that are now uncompetitive in the marketplace.

Policy Guidelines

The U.S. policy goal for gas imports, as earlier stated, is to have a supply of natural gas supplemental to domestic production available on a competitive, market-responsive basis, while avoiding undue dependence on unreliable sources of supply. Government regulation of imports should facilitate trade arrangements consistent with this policy goal.

Section 3 of the Natural Gas Act requires the government to authorize an import of natural gas unless "the proposed importation will not be consistent with the public interest" (emphasis added).

Congress did not define "public interest," thus giving broad discretion to the government in establishing criteria that an importer must fail to meet for the government to deny an authorization to import. The policy guidelines herein are intended to provide a clear definition of public interest.

The policy cornerstone of the public interest standard is competition. Competitive import arrangements are an essential element of the public interest, and natural gas imported under agreements that provide for the sale of gas in volumes and at prices responsive to market demands largely meets the public interest test. On the other hand, import arrangements with contract terms and conditions that restrict the competitiveness of the gas over time should be considered, presumptively, not in the public interest.

This policy approach presumes that buyers and sellers, if allowed to negoitate free of constraining governmental limits, will construct competitive import agreements that will be responsive to market forces over time. The specific commerical terms and conditions of a particular arrangement should be negotiated by the parties pursuant to the discrete requirements of the buyer's market and not directed by government regulators. The government's role in authorizing such agreements should be to evaluate whether the arrangement assures the competitiveness of the import throughout the contract period and to provide a review process whereby affected parties have sufficient opportunity to demonstrate that the import is not consistent with the public interest. Those market participants who stand to benefit or suffer as a result of the importation have the best available knowledge of their market and should provide the information upon which the competitiveness of the arrangment can be judged.

The price paid for imported gas by U.S. importers has often been considered the key test of an import's competitiveness. The price of gas, however, is only one factor in determining the market competitiveness of the import. Pricing considerations, standing alone, will not longer be the base for authorizing or denying an import application, or for modifying or revoking an authorization. The emphasis will be on the provisions of the import agreement that establish the basis price and that allow price adjustments during the life of the agreement.

While the competitiveness of an import arrangement is now the primary consideration for authorization, other considerations will continue to be relevant. The security of the foreign supply, in particular, remains a regulatory consideration in meeting the objective of avoiding undue dependence on unreliable sources of supply. Need will continue as a consideration; however, it is recognized to be a function of competitiveness. Under competitive gas import trade arrangements, buyers will be presumed to have markets for gas actually purchased, unless otherwise demonstrated by participants in the regulatory process.

Thus, proposed import arrangements that are found competitive are presumed to have demonstrated the need for the import. National energy requirements will remain a factor in assessing long-term import arrangments, as the nation's energy security is a continuing policy consideration.

Finally, it is recognized that uniform regulatory strictures do not facilitate the establishment of competitive, market-responsive import arrangements and will not be applied. The terms and conditions of an arrangement that is competitive for one market may not be competitive in another. Thus, new import arrangements dependent on substantial capital financing that will provide new supplies to regions needing additional gas may require contract provisions, such as minimum volumes and prices, that may not be competitive in other regions. There also may be unique situations involving extensions or modifications of existing gas import arrangements, such as the prebuild portions of the Alaska Natural Gas Transportation System, that merit special consideration.

Regulatory Guidelines

Pursuant to section 3 of the Natural Gas Act and the Delegation Order from the Secretary of Energy to the ERA Administrator, an application to import gas must be approved unless it is determined that the import is not consistent with the public interest. This determination is based on a number of "considerations" addressed in an import authorization proceedding and stated in the Delegation Order. These considerations provide, in effect, the test that a proposed import arrangement must fail for an authorization to be denied. These policy guidelines provide notice of the manner in which the Administrator will exercise authority under section 3 of the Natural Gas Act to review natural gas import applications. The guidelines do not establish binding and inflexible rules; rather they set forth certain rebuttable presumptions and contemplate flexible application of the considertions outlined below to the facts of individual cases.

The following are the considerations now applicable to import arrangements

which, as of this date, have not received Section 3 approval by the Economic Regulatory Administration or the Federal Energy Regulatory Commission. They shall apply to applications currently pending that seek approval of amendments or extensions to existing import arrangements, as well as applications involving new imports. The application of these guidelines to authorizations previously granted with no pending application for amendment or extension is addressed in the discussion below on implementation. These considerations are contained in Delegation Order No. 0204–111 signed by the Secretary of Energy on February 15, 1984.

The competitiveness of the import

The terms and conditions of the gas purchase contract, taken together, must provide a supply of gas that the importer can market competitively over the term of the contract. The contract arrangement must be sufficiently flexible to permit pricing and volume adjustments, as required by market conditions and available competing fuels, including domestic natural gas. Contract flexibility is a function of certain provisions which may include, but are not limited to: the volume of gas under contract, base price, price review or adjustment mechanisms, take-or-pay obligations, make-up provisions, length of the contract, and other terms which may affect marketability of the gas. No prescribed set of provisions are being dictated as determinative of contract flexibility, allowing the importer to negotiate the import arrangement it considers necessary for the gas to remain marketable over the life of the contract. The importer will be required to demonstrate that the provisions in the proposed import arrangement, collectively, ensure that the gas will be competitive.

Contracts should also contain provisions to protect the parties in the event of changes in the circumstances in which the contract is expected to operate, and to permit contractual adjustments in such circumstances. Examples of such provisions include renegotiation clauses, arbitration clauses, "market-out" clauses, and similar arrangements. Again, no specific or predetermined provision to permit contract adjustments is favored, allowing the contracting parties discretion to determine the approach most suitable to their import arrangement.

Import agreements that are negotiated between buyer and seller should result in contracts that provide a competitive energy source for the duration of the import. The competitiveness of an import arrangement will not be assessed by a narrow inquiry into individual contract terms but rather a consideration of the whole fabric of the arrangement. Those opposing an import have to show that the arrangement, as a whole, is not competitive or sufficiently flexible to respond to changing market conditions.

Need for the natural gas

The need for the imported gas will be addressed in terms of the marketability of the proposed import. Need for a gas supply is intrinsically related to its anticipated marketability. Thus, if the imported gas is competitive in the proposed market area and, through its contract terms, will remain competitive throughout the contract period, then the rebuttable presumption exists that the gas is needed in that market. To the extent that there is a specific objection on the grounds of need for the import, the focus should be on the overall energy requirements in the market that can be competitively met by domestic natural gas and other fuels.

National energy requirements will also be a factor, particularly in assessing long-term import arrangements, as the energy security of the nation remains a policy consideration.

Security of supply

The security of gas supply and its transportation to the U.S. border remain important components of the public interest, especially those under long-term arrangements. An import will be considered secure if it does not lead to undue dependence on unreliable sources of supply. Thus, imports involving relatively larger volumes and longer time periods must demonstrate relatively greater reliability of supply than smaller scale imports for a shorter time period in the application for authorization.

Security of a proposed import supply can be demonstrated by reference to the historical reliability of the supplier to provide a dependable source of gas to the United States and other countries. Reference can be made to any gas reserves committed to the import arrangement for the term of the contract.

Attention will be given to the advantage provided to the nation by a reliable supply of imported natural gas, which adds to the diversity of energy sources and provides an added measure of energy security during any period of energy shortage or emergency.

In additon to the above considerations, the Administrator will consider international trade policy, foreign policy, and national security interests that may bear on an import authorization. In so considering these and other factors as may be appropriate, the Department of State will be consulted in accordance with section 102(10) of the DOE Organization Act.

Regulation of Gas Imports by ERA and FERC

Under the Department of Energy Organization Act, the Secretary of Energy was given responsibility for implementing the provisions of the Natural Gas Act relating to natural gas imports and exports. This authority, formerly vested in the Federal Power Commission, was given to the Secretary in recognition that a policy official accountable to the President should have jurisdiction over the regulation of gas imports to the extent that the regulatory decisions affect national and international energy policy, foreign policy, and national security interests.

The Department of Energy legislation also established the Federal Energy Regulatory Commission, in which was vested the authority to regulate certain aspects of domestic natural gas within the United States. This authority, exercised *inter alia* under the Natural Gas Act and Natural Gas Policy Act, includes the regulation of wellhead prices and transportation rates for gas produced in the United States and gas transported in interstate commerce to the American consumer. In view of the fact that imported gas reaches the consumer through the same transportation systems that deliver domestically produced gas, the Secretary delegated to the FERC certain regulatory responsibilities for imports that it exercises over domestic gas, including siting, construction of facilities, and ratemaking. This authority was delegated to the FERC with the recognition that the Secretary maintained the policy responsibilities for gas imports, and that the FERC should exercise its authority in a manner consistent with the gas import policy determinations established by the Secretary.

In delegating his responsibility to authorize imports to the Administrator of the Economic Regulatory Administration, the Secretary made an exception for imported gas transported through the Alaska Natural Gas Transportation System (ANGTS). Authority was delegated to the FERC to authorize the importation of Canadian gas using the "prebuild" portions of the system while these portions were being financed, constructed, and placed in

initial operation, along with the financing of the overall ANGTS project.

The division of regulatory responsibilities for imported natural gas brought about by the Department of Energy Organization Act, and the assignment of these responsibilities to the ERA Administrator and the FERC, presented inherent problems of coordination and regulatory consistency that did not exist when this responsibility was all exercised by the FPC. While the ERA and the FERC have carried out their respective responsibilities in an effective and conscientious manner, the lines of jurisdiction and authority between the two agencies have not been entirely clear. This lack of clarity is a concern that was expressed by a number of gas importers during the policy review process, with the observation that the ERA and the FERC sometimes both review the same issues.

While a two-part regulatory process is unavoidable under the enabling legislation, some efficiencies can be achieved through clarification of the ERA and FERC gas import responsibilities and through streamlining some aspects of the process. This is the objective in the issuance of new delegation orders to the ERA Administrator and the Commission. These revised orders seek to make a clearer distinction between the responsibility of the Administrator in exercising the Secretary's authority to approve natural gas imports and the FERC's responsibility to regulate the imported gas within the domestic natural gas system. These orders are also issued with the goal of achieving uniform application of these policy guidelines to all natural gas imports.

Under the new delegation orders, all gas imports—including gas transported through the ANGTS prebuild—will be authorized by the ERA Administrator. Delegation Order No. 0204–8, which gave this authority for ANGTS to the FERC, is being rescinded. The Administrator will exercise this authority consistent with the policy guidelines set forth in this notice and contained in new Delegation Order No. 0204–111.

The FERC, under the revised delegation orders, maintains its responsibilities for exercising sections 4, 5, and 7 authority under the Natural Gas Act over gas authorized for import by the Administrator. Gas authorized for importation is subject to the FERC's review of issues pertaining to siting, construction, and operation of pipeline facilities, and to the rates proposed to be charged for the interstate transportation and sale of the gas. The FERC review, in effect, will address the regulatory matters relevant to the imported gas upon its entry into the United States and as it flows through domestic gas transportation systems. In its regulatory decisions on a gas supply authorized for importation, the Commission will adopt the terms and conditions attached by the ERA Administrator to the import authorization, thus acting consistently with the determinations made by the Administrator and the policy considerations reflected in the authorization.

The goal of this Administration is to have a deregulated natural gas market, whereby buyers and sellers operating entirely under market forces can provide gas to consumers at prices competitive with alternative fuels. Until this goal is fully reached, natural gas transported and sold within the United States will remain subject to certain regulatory considerations. Gas delivered to U.S. markets from foreign sources is subject to these considerations. Under these policy guidelines and delegated authorities, the ERA Administrator and the FERC can fulfill their respective regulatory responsibilities in a manner that improves the regulatory process while establishing competitive natural gas trade.

Implementation

The policy guidelines herein set forth are now effective, and the regulatory considerations presented above and contained in the new delegation orders will be applied to all gas import arrangements that have not received section 3 authorization by either the Economic Regulatory Administration or Federal Energy Regulatory Commission. Import applications, including requests for modification of existing authorizations and authorizations of new contracts currently pending before either agency, will be reviewed within this new policy and regulatory framework by the Economic Regulatory Administration. Pending applications that require expeditious approval and that do not fully comport with these guidelines may be granted conditional authorizations.

Pursuant to Section (j) of Delegation Order No. 0204–111, imports previously authorized by the ERA and FERC shall remain in full force and effect unless or until they are rescinded, amended or superseded through appropriate regulatory proceedings. The ERA will not on its own motion initiate such proceedings unless an agreement between the United States and the government of a gas exporting country so requires. The guidelines will apply to pending cases including requests to modify existing authorizations. The ERA Administrator will issue a procedural order that specifies the dockets that are directly and immediately affected by these new guidelines.

U.S. companies that import natural gas under arrangements that are not fully consistent with these policies and the provisions of Delegation Order No. 0204–111 are encouraged to negotiate changes to such arrangements to bring them into conformity with these policies and provisions. The ERA will give prompt attention to import authorization amendments submitted by importers as a result of these negotiation efforts. To the extent that such amendments bring an import arrangement more into conformity with these guidelines, they will benefit from the presumption that they are in the public interest, and opposing parties will bear the burden to rebut the presumption.

These policy guidelines and regulatory changes are designed to avoid instability or uncertainty in existing natural gas trade and establish a smooth transition to competitive trade arrangements, with minimal regulatory requirements and governmental involvement. The policy guidelines should permit parties engaged in gas trade to craft arrangements competitive for the markets served. The import authorization process is designed to fulfill the governments's statutory responsibilities without regulating the specific terms and conditions of individual trade arrangements.

The delegation orders are effective February 22, 1984, the date of publication in the **Federal Register.**

Issued in Washington, D.C. on February 15, 1984.

Donald Paul Hodel,

Secretary of Energy.

Notes

1. Cost of service is defined as the sum total of proper operating and depreciation expenses, taxes, and a reasonable return on the net valuation of the property devoted to providing natural gas service. A two-part demand-commodity rate, with periodic price adjustments, is then designed to produce revenues equivalent to the cost of service.

2. National Energy Board Act.

3. On January 3, 1977, $1.94 (Cdn) was equal to $193 (U.S.).

4. DOE Delegation Order No. 0204–54 to the Economic Regulatory Administration (44 FR 56735, October 2, 1979). In recognition of the expertise of the Federal Energy Regulatory Commission in the areas of interstate transportation and resale of natural gas and construction and operation of facilities, the Secretary delegated to FERC authority over certain activities related to gas imports. (DOE Delegation Order No. 0204–55 to the Federal

Energy Regulatory Commission [44 FR 56735, October 2, 1979]).

5. DOE/ERA Opinion No. 14B, *Inter-City Minnesota Pipelines Ltd. Inc., et al.*, 1 ERA para 70508 (*Federal Energy Guidelines*, May 15, 1980).

6. DOE/ERA Opinion No. 16A, *Border Gas, Inc.*, 1 ERA para 70511 (*Federal Energy Guidelines*, May 15, 1980).

7. 47 FR 57756, December 28, 1982; 48 FR 34501, July 29, 1983.

[Delegation Order No. 0204-110]

Rescission of Delegation to the Federal Energy Regulatory Commission

Pursuant to the authority vested in me as Secretary of Energy, Department of Energy Delegation Order Nos. 0204–8 and 0204–14 are hereby rescinded.

All actions pursuant to Delegation Order Nos. 0204–8 and 0204–14 taken prior to and in effect on the date of this Order shall remain in full force and effect unless or until rescinded, amended or superseded.

This Order is effective February 22, 1984, the date of publication in the **Federal Register.**

Donald Paul Hodel,

Secretary of Energy.

[Delegation Order No. 0204-111]

To the Administrator of the Economic Regulatory Administration

Pursuant to the authority vested in me as the Secretary of Energy ("Secretary") by the Natural Gas Act (Act of June 21, 1938, ch. 556, 52 Stat. 821 (15 U.S.C. § 717)) ("NGA") and Sections 301(b), 402(f), and 642 of the Department of Energy Organization Act (Pub. L. No. 95–91, 91 Stat. 565 (42 U.S.C. § 7101 *et seq.*)), there is hereby delegated to the Administrator of the Economic Regulatory Administration ("Administrator") the authority under section 3 of the NGA to regulate the imports and exports of natural gas.

(a) The Administrator shall regulate imports (including place of entry) based on a consideration of such matters as the Administrator finds in the circumstances of a particular case to be appropriate, which may include, but are not limited to, the following matters:

1. Competitiveness of the import;
2. Need for the natural gas;
3. Security of supply.

(b) The Administrator shall regulate exports (including place of exit) based on a consideration of the domestic need for the gas to be exported and such other matters as the Administrator finds in the circumstances of a particular case to be appropriate.

(c) In exercising the authority delegated by this Order, the Administrator may attach such terms and conditions as the Administrator shall determine to be appropriate.

(d) The authority delegated by this Order does not include the authority to approve the construction and operation of particular facilities, the site at which such facilities shall be located, and, with respect to natural gas that involves the construction of new domestic facilities, the place of entry for imports or exit for exports, except the Administrator is authorized to disapprove the construction and operation of particular facilities, the site at which such facilities shall be located, and, with respect to natural gas that involves the construction of new domestic facilities, the place of entry for imports or exit for exports, on the basis of matters considered pursuant to paragraphs (a) and (b) of this Order.

(e)(1) With respect to ERA Docket No. 77–001–LNG, in addition to the functions enumerated in paragraphs (a), (b) and (c) above (and notwithstanding paragraph (d) above), the Administrator is authorized to perform all functions related to the regulation of the importation and distribution of natural gas through, and construction and operation of, facilities at Oxnard, California.

(2) This delegation does not amend or supersede 10 CFR § 1000.1(d) (42 FR 55534, October 17, 1977) or DOE Delegation Order No. 0204–1.

(f) The authority delegated to the Administrator may be further delegated (except to the Federal Energy Regulatory Commission) in whole or in part, as may be appropriate.

(g) Paragraph 6 of Delegation Order No. 0204–4, is amended to read as follows:

"6. The functions delegated to the Administrator of ERA by Delegation Order No. 0204–111."

(h) This Order supersedes Delegation Order No. 0204–54.

(i) In exercising the authority delegated by this Order, or redelegated pursuant thereto, the delegates shall be governed by the rules, regulations and procedures of the Department of Energy and the policies prescribed by the Secretary or the Secretary's delegate.

(j) All actions pursuant to any authority delegated prior to this Order, or pursuant to any authority delegated by this Order taken prior to and in effect on the date of this Order, are hereby confirmed and ratified, and shall remain in full force and effect as if taken under this Order, unless or until rescinded, amended, or superseded.

(k) Nothing in this delegation shall preclude the Secretary from exercising any of the authority so delegated whenever in the Secretary's judgment the exercise of such authority is necessary or appropriate to adminsiter the functions vested in the Secretary.

This Order is effective February 22, 1984, the date of publication in the **Federal Register.**

Donald Paul Hodel,

Secretary of Energy.

[Delegation Order No. 0204-112]

Federal Energy Regulatory Commission

Pursuant to the authority vested in me as the Secretary of Energy ("Secretary") by sections 301(b), 402 (e) and (f), and 642 of the Department of Energy Organization Act (Pub. L. No. 95–91, 91 Stat. 565 [42 U.S.C. § 7101 *et seq.*]) the Natural Gas Act (Act of June 21, 1938, ch. 556, 52 Stat. 821 [15 U.S.C. § 717]) ("NGA"), and Executive Order No. 10485, as amended by Executive Order No. 12038, there is hereby delegated to the Federal Energy Regulatory Commission ("FERC") the authority to perform the following functions with respect to the regulation of imports and exports of natural gas:

(a) Approval or disapproval of the construction and operation of particular facilities, the site at which such facilities shall be located, and, with respect to natural gas that involves the construction of new domestic facilities, the place of entry for imports or exit for exports, except when the Administrator of the Economic Regulatory Administration ("Administrator") exercises the disapproval authority delegated pursuant to paragraph (d) of Delegation Order No. 0204–111.

(b) All functions under sections 4, 5, and 7 of the NGA.

(c) Issue orders, authorizations, and certificates which the FERC determines to be necessary or appropriate to implement the determinations made by the Administrator under Delegation Order No. 0204–111 and by the FERC under this Order. The FERC shall not issue any order, authorization, or certificate unless such order, authorization, or certificate adopts such terms and conditions as are attached by the Administrator pursuant to the authority delegated to the Administrator by Delegation Order No. 0204–111.

The delegate(s) may take such action as may be necessary and appropriate to carry out the functions delegated by this Order.

This Order supersedes Delegation Order No. 0204–55.

The authority delegated to the FERC may be further delegated within the FERC, in whole or in part, as may be appropriate.

In exercising the authority delegated by this Order, or redelegated pursuant thereto, the delegates shall be governed by the rules, regulations, and procedures of the FERC and shall be guided by the policies prescribed by the Secretary or the Secretary's delegate.

All actions pursuant to any authority delegated prior to this Order, or pursuant to any authority delegated by this Order taken prior to and in effect on the date of this Order, are hereby confirmed and ratified, and shall remain in full force and effect as if taken under this Order, unless or until rescinded, amended, or superseded.

Nothing in this Order shall preclude the Secretary from exercising any of his authority so delegated whenever in the Secretary's judgment the exercise of such authority is necessary or appropriate to administer the functions vested in the Secretary.

This Order is effective February 22, 1984, the date of publication in the **Federal Register.**

Donald Paul Hodel,

Secretary of Energy.

[FR Doc. 84-4748 Filed 2-22-84; 8:45 am]

BILLING CODE 6450-01-M

Economic Regulatory Administration

Natural Gas Imports; Procedural Order Applying New DOE Policy Guidelines Relating to Importation of Natural Gas

AGENCY: Economic Regulatory Administration, DOE.

ACTION: Notice of issuance of a procedural order.

SUMMARY: The Secretary of Energy has issued new policy guidelines and delegation orders to the Administrator of the Economic Regulatory Administration and to the Federal Energy Regulatory Commission relating to the importation of natural gas. The Administrator has issued a procedural order initiating action to begin implementation of those new guidelines. The procedural order is attached as an appendix to this notice and is being published concurrently with the policy guidelines and delegation orders.

FOR FURTHER INFORMATION CONTACT:

Constance L. Buckley (Natural Gas Division, Office of Fuels Programs), Economic Regulatory Administration, Forrestal Building, Room GA-007, 1000 Independent Avenue, S.W., Washington, D.C. 20585, (202) 252-9482

Michael T. Skinker (Office of General Counsel, Natural Gas and Mineral Leasing), U.S. Department of Energy, Forrestal Building, Room 6E-042, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 252-6667

Issued in Washington, D.C., February 16, 1984.

Rayburn Hanzlik,

Administrator, Economic Regulatory Administration.

United States of America Department of Energy—Economic Regulatory Administration

Company name	*ERA Docket Nos.*
Borders Gas, Inc	79-31-NG.
Boundary Gas, Inc	81-04-NG.
Distrigas Corporation	77-011-LNG, 82-13-LNG.
Gas Service, Inc.; Manchester Gas Company.	81-22-LNG.
Great Lakes Gas Transmission Company.	80-02-NG, 81-01-NG, 83-07-NG.
Inter-City Minnesota Pipelines, Ltd.	80-01-NG, 82-15-NG.
Michigan Wisconsin Pipe Line Company.	80-04-NG, 81-18-NG, 81-34-NG.
Midwestern Gas Transmission Company.	80-06-NG, 81-16-NG, 81-32-NG.
Midwestern Gas Transmission Company; Great Lakes Gas Transmission Company.	83-08-NG.
Montana Power Company.	80-03-NG, 81-21-NG.
Natural Gas Pipeline Company of America.	82-01-NG.
Natural Gas Pipeline Company of America; Michigan Wisconsin Pipe Line Company; Tennessee Gas Pipeline Company; Texas Eastern Gas Pipeline Company.	79-15-NG.
Northern Natural Gas Company.	79-24-NG, 82-09-NG, 82-11-NG.
Northwest Pipeline Corporation.	80-05-NG, 81-31-NG, 83-06-NG.
Pacific Gas Transmission Company.	80-07-NG, 81-09-NG, 82-16-NG.
St. Lawrence Gas Company, Inc.	80-09-NG, 81-13-NG.
Tennessee Gas Pipeline Company.	81-24-NG, 82-10-NG, 82-13-NG.
Texas Eastern Gas Pipeline Company.	82-05-NG, 82-07-NG.
Texas Gas Transmission Corporation.	82-08-NG.
Transcontinental Gas Pipe Line Corp.	80-14-NG, 81-29-NG, 81-30-NG.
Transcontinental Gas Pipe Line Corp.; Tennessee Gas Pipeline Company.	79-08-NG.
Transcontinental Gas Pipe Line Corp.; Algonquin Gas Transmission Company; Texas Eastern Gas Pipeline Company.	81-02-NG.
Vermont Gas Systems, Inc.	80-10-NG, 83-09-NG.

Order Directing Applicants With Pending Gas Import Applications To Supplement Those Applications, Directing Importers With Existing Authorizations, To Report on Conformance of Arrangements With Guidelines, Providing Guidance on Alaska Natural Gas Transportation System Filings, and Terminating Suspended Proceedings

February 16, 1984.

I. Introduction

On February 15, 1984, the Secretary of Energy issued new policy guidelines and delegation orders to the Administrator of the Economic Regulatory Administration (ERA) and to the Federal Energy Regulatory Commission (FERC) relating to the authorization of imports of natural gas into the United States. The guidelines set forth a new policy designed to encourage greater participation of buyers and sellers of imported natural gas in establishing price and contract terms, and to ensure that import arrangements result in gas being imported on a competitive and market-responsive basis.

This order initiates action to implement the new policy guidelines. It requires applicant that have pending import applications and authorization amendments before the ERA to supplement their applications. The order also requests all importers with existing authorizations to assess their current import arrangements from the standpoint of conformity with the new policy and regulatory considerations, and to report to the ERA the results of this assessment. This report should include information on modifications the importer believes would be required for the arrangement to comply fully with the policy guidelines. The order further terminates earlier proceedings involving flowing gas imports from Canada that were suspended on December 16, 1980.

II. Pending Applications

This section addresses applications to import natural gas now pending before the ERA listed in Appendix A.[1] Importers with applications for new import authorizations, or modifications or extensions of existing authorizations, now pending before the ERA should notify the ERA on or before April 16, 1984, whether their applications meet or will require modification to meet the policy guidelines before being reviewed by the ERA. Applicants should review their pending applications to determine to what extent their proposed import arrangements are consistent with the policy guidelines and whether steps will be taken to renegotiate the contracts and amend the applications. This information should be submitted in writing and filed as a "supplement" to the application; copies should be served on all intervenors.

If importers wish the ERA to take action on pending applications, they should so state in their supplemental filings. For applicants who report that efforts will be undertaken to amend their arrangements to bring them into conformity with the guidelines, the ERA will defer further consideration until the amendments or new applications are filed. Applicants who determine not to pursue their import arrangements at this time may file notices to withdraw their current applications without prejudice to filing new applications at a later time.

III. Existing Imports

Previously authorized imports shall remain in full force and effect, unless or until they are rescinded, amended, or superseded through appropriate regulatory proceedings. The ERA will not on its own motion initiate such proceedings, unless an agreement between the United States and the government of a gas exporting country so requires. However, consistent with the policy goals and objectives set forth in the new policy guidelines, parties of currently authorized gas import arrangements that are not fully consistent with the new guidelines are encouraged to make every effort, working with all parties to their arrangement, to bring the arrangement into conformity with the new policy.

All importers with existing authorizations listed in Appendix B should review their existing arrangements for conformity with the new policy and should determine whether the contract terms and conditions need to be modified. On or before April 16, 1984, existing importers are requested to inform the ERA by letter of the results of this review, along with information on any modifications they deem necessary to bring their arrangement into conformity with the policy guidelines. Information on steps they intend to take to remedy these deficiencies is also requested. In addition, the letter should describe the progress made during the past year in adjusting import arrangements to respond to market problems through renegotiation as well as provide information on ongoing activities of this nature.

Applications to amend existing authorizations based on contract modifications resulting from this effort will be processed on an expedited basis, with a presumption that they are in the public interest. Opposing parties will bear the burden of rebutting this presumption.

IV. ANGTS Prebuild

The authority to approve the importation of natural gas that is transported through the Alaska Natural Gas Transportation System (ANGTS)—which previously has been exercised by the FERC—was delegated to the ERA by the Secretary of Energy on February 15, 1984, through Delegation Order No. 0204–110. All future applications for NGA section 3 authorization to import natural gas through the ANGTS should be made to the ERA. Action will be taken to transfer the section 3 portions of cases pending before the FERC to the ERA.

Two applications filed by Texas Gas Transmission Corporation (Texas Gas) to import gas through ANGTS now pending before the FERC in Docket Nos. CP82–403–000 and CP82–418–000 will be transferred to the ERA. At the time these cases are transferred, Texas Gas will be asked to comply with section II of this order.

Northwest Alaskan Pipeline Company (Northwest Alaskan) was recently issued conditional authorizations by the FERC in Docket Nos. CP78–123–020 and CP78–123–021 to import additional volumes of Canadian natural gas through the ANGTS for a period of time extending through October 31, 1992. The authorizations were specifically conditioned on Northwest Alaskan making a showing that the gas will be marketable and that the terms and conditions for its importation will not be inconsistent with the public interest. Since no final decision on these matters has been made, the section 3 proceedings will be conducted by the ERA after those portions of the cases relating to section 3 have been transferred from the FERC to the ERA. Therefore, any supplemental filing Northwest Alaskan may submit under its conditional authorizations should be made to the ERA.

V. Suspended Proceedings

A number of existing authorizations were previously the subject of ERA proceedings. Appendix C identifies these dockets. On May 15, 1980, the ERA issued DOE/ERA Opinion and Order No. 14B[2] in Docket No. 80–01–NG, *et al.*, which initiated proceedings to review the ERA's general import policy in nine consolidated dockets representing all the gas imports then flowing from Canada.

Similar proceedings paralleling those in Docket No. 80–01–NG, *et al.*, were ordered in *Transcontinental Gas Pipe Line Corporation, et al.*, Docket No. 79–08–NG,[3] and *Northern Natural Gas Company*, Docket No. 79–24–NG.[4] Further, in DOE/ERA Opinion and Order No. 24,[5] issued October 31, 1980, in Docket No. 80–14–NG, Transcontinental Gas Pipe Line Corporation was authorized to import natural gas from Canada by displacement, subject to such conditions as the ERA may order to conform with any policy and precedent established in Docket Nos. 80–01–NG, *et al.*, and 79–08–NG.

On December 16, 1980, the ERA suspended further consideration of the issues in Docket Nos. 80–01–NG, *et al.*, 79–08–NG, 79–24–NG, and 80–14–NG.

These proceedings are hereby terminated as a result of establishment of the new policy. The previously approved authorizations will remain in full effect as discussed in section III.

VI. Where to File

All filings shall be made to the Natural Gas Division Docket Room, RG–43, GA–007, Economic Regulatory Administration, 1000 Independence Avenue, SW., Washington, D.C. 20585, between the hours of 8:00 a.m. and 4:30 p.m.

Order

In accordance with the new policy guidelines and delegation orders issued by the Secretary of Energy relating to natural gas imports, and for reasons set

[1] Trunkline LNG Company's import project, Docket Nos. 82–12–LNG/83–04–LNG, is not addressed in this order because of the extensive record already developed and will be subject to a separate order.

[2] 1 ERA ¶ 70.508, Federal Energy Guidelines.

[3] See DOE/ERA Opinion and Order 17, issued July 7, 1980 (1 ERA ¶ 70.512), and the Prehearing Order issued August 12, 1980 (order unpublished).

[4] See DOE/ERA Opinion and Order 19, issued August 29, 1980 (1 ERA ¶ 70.518).

[5] 1 ERA ¶ 70.523.

forth above, it is hereby ordered pursuant to section 3 of the Natural Gas Act that:

A. Applicants with natural gas import authorizations pending before the ERA listed in Appendix A of this order are directed to supplement their existing applications providing the information required in section II. Supplemental filings shall be made on or before April 16, 1984.

B. All importers with existing authorizations listed in Appendix B shall review their import arrangements and report to the Administrator as discussed in section III of this order on or before April 16, 1984.

C. The suspensions initiated by four DOE/ERA orders dated December 16, 1980, Docket Nos. 80–01–NG, *et al.*, 79–08–NG, 79–24–NG and 80–14–NG, are terminated.

D. The proceedings initiated in ordering paragraph C of DOE/ERA Opinion and Order No. 14B, dated May 15, 1980, Docket No. 80–01–NG, *et al.*, and in ordering paragraph A of a DOE/ERA Prehearing Order, dated July 9, 1980, same docket, are terminated.

E. The proceedings initiated in ordering paragraph B of DOE/ERA Opinion and Order No. 17, dated July 7, 1980, Docket No. 79–08–NG, and in ordering paragraph A of a DOE/ERA Prehearing Order, dated August 12, 1980, same docket, are terminated.

F. The proceedings initiated in ordering paragraph E of DOE/ERA Opinion and Order No. 19, dated August 29, 1980, Docket No. 79–24–NG, are terminated.

Issued in Wasington, D.C., February 16, 1984.

Rayburn Hanzlik,

Administrator, Economic Regulatory Administration.

Appendix A—Pending Applications

Company name	*ERA Docket No.*
Transcontinental Gas Pipe Line Corporation; Algonouin Gas Transmission Company; Texas Eastern Gas Pipeline Company.	81–02–NG.
Transcontinental Gas Pipe Line Corporation.	81–29–NG.
Midwestern Gas Transmission Company.	81–32–NG.
Michigan Wisconsin Pipe Line Company.	81–34–NG.
Natural Gas Pipeline Company of America.	82–01–NG.
Texas Eastern Gas Pipeline Company.	82–05–NG.
Texas Eastern Gas Pipeline Company.	82–07–NG.
Texas Gas Transmission Corporation.	82–08–NG.
Tennessee Gas Pipeline Company.	82–10–NG.
Northern Natural Gas Company.	82–11–NG.
Distrigas Corporation	82–13–NG.
Pacific Gas Transmission Company.	82–16–NG.
Tennessee Gas Pipeline Company.	82–18–NG.
Northwest Pipeline Corporation	83–06–NG.
Great Lakes Gas Transmission Company.	83–07–NG.

Appendix B—Existing Authorizations*

Company name	*ERA Docket No.*
Border Gas, Inc	79–31–NG.
Boundary Gas, Inc	81–04–NG.
Distrigas Corporation	77–011–LNG.
Gas Service, Inc	81–22–LNG.
Manchester Gas Company	
Great Lakes Gas Transmission Company.	81–10–NG.
Inter-City Minnesota Pipelines, Ltd.	82–15–NG.
Michigan Wisconsin Pipe Line Company.	81–18–NG.
Midwestern Gas Transmission Company.	81–16–NG.
Midwestern Gas Transmission Company.	83–08–NG.
Great Lakes Gas Tramsmission Company.	
Montana Power Company	81–21–NG.
Natural Gas Pipeline Company of America.	79–15–NG.
Michigan Wisconsin Pipe Line Company.	
Tennessee Gas Pipeline Company.	
Texas Eastern Gas Pipeline Company.	
Northern Natural Gas Company.	82–09–NG.
Northwest Pipeline Corporation	81–31–NG.
Pacific Gas Transmission Company.	81–09–NG.
St. Lawrence Gas Company, Inc.	81–13–NG.
Tennessee Gas Pipeline Company.	81–24–NG.
Transcontinental Gas Pipe Line Corp.	80–14–NG. 81–30–NG.
Vermont Gas Systems, Inc	83–09–NG.

*The docket number represents the most recent proceeding before the ERA involving the import.

Appendix C—Suspending Proceedings

Company name	*ERA Docket No.*
Transcontinental Gas Pipe Line Corp.	79–08–NG.
Tennessee Gas Pipeline Company.	
Northern Natural Gas Company.	79–24–NG.
Inter-City Minnesota Pipelines Ltd., Inc.	80–01–NG.
Great Lakes Gas Transmission Company.	80–02–NG.
Montana Power Company	80–03–NG.
Michigan Wisconsin Pipe Line Company.	80–04–NG.
Northwest Pipeline Corporation	80–05–NG.
Midwestern Gas Transmission Company.	80–06–NG.
Pacific Gas Transmission Company.	80–07–NG.
St. Lawrence Gas Company, Inc.	80–09–NG.
Vermont Gas Systems, Inc	80–10–NG.
Transcontinental Gas Pipe Line Corp.	80–14–NG.

[FR Doc. 84–4747 Filed 2–22–84; 8:45 am]

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