

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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DOE/OFE/NGR

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SELKIRK COGEN PARTNERS, L.P.)

FE DOCKET NO. 05-49-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 2164

DECEMBER 28, 2005

I. DESCRIPTION OF REQUEST

On July 25, 2005, Selkirk Cogen Partners, L.P. (Selkirk) applied to the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for authority to import up to 23,000 MMBtu per day of natural gas from Canada, under a North American Energy Standards Board (NAESB) base contract, as amended,^{2/} with Canadian Forest Oil Ltd.^{3/} (CFOL) for a term beginning on November 1, 2004, until October 31, 2014. According to its application, Selkirk has terminated its existing gas purchase contracts and filed for new authority using the NAESB base contract to supply fuel to its 252-megawatt cogeneration facility in Selkirk, New York. Current authority for this and two other Selkirk imports, see DOE/FE Order Nos. 756 and 756-A, 1 FE ¶ 70,736 and 1 FE ¶ 70,981, is being vacated simultaneously in separate docket(s).

The imported natural gas will be delivered at the border at Empress, Alberta, Canada with the one-time option to permanently assign from 50% to 100% of its volume to CFOL which would change the delivery point of those volumes to Waddington, New York, for transportation by the Iroquois Gas Transmission system to Tennessee Gas Pipeline Company. The spot price will be the gas daily midpoint published monthly in the First of the Month Index, as reported in the "*Inside FERC*," under the heading "Henry Hub." The price of gas will include any applicable demand charge, variable commodity charges, fuel charges and reservation fee. Selkirk also states

^{1/} 15 U.S.C. § 717b.

^{2/} The amendment replaces the index which is no longer published.

^{3/} On January 31, 1996, CFOL acquired ATCOR, seller of gas to Selkirk under its previous authority, as a subsidiary and changed its name to CFOL.

that for a variety of reasons, including maintenance activities, it may sell some of the imported gas on the domestic spot market.

II. FINDING

The application filed by Selkirk has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Selkirk to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Selkirk Cogen Partners, L.P. (Selkirk) is authorized to import up to 23,000 MMBtu per day of natural gas from Canada, beginning on November 1, 2004, and extending through October 31, 2014. The gas will be imported from Canadian Forest Oil Ltd. at a border point between near Empress, Alberta, Canada, or Waddington, New York, under a North American Energy Standards Board base contract, as amended.

B. **Monthly Reports:** With respect to the import of natural gas authorized by this Order, Selkirk shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar month, a report indicating whether import of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports have been made

a report of "no activity" for that month must be filed. If imports of natural gas have occurred, the report must give the following details: (1) point of entry; and (2) total monthly volumes volume at the import point in Mcf for the month.

C. The first monthly report required by this Order is due not later than January 30, 2006, and should cover the reporting period December 1, 2005, through December 30, 2005.

D. **Quarterly Reports:** With respect to the natural gas imports authorized by this Order, Selkirk will file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports of natural gas have been made. If imports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Selkirk must report the following details including each resale transaction: (1) the total monthly volumes in Mcf; (2) the average purchase price of gas per MMBtu; (3) the name(s) of the purchaser; (4) the estimated or actual duration of the agreement; (5) the name of the United States transporter; and (6) the geographic market served (State).

[OMB NO.: 1901-0294]

E. The first quarterly report required by this Order, is due not later than January 30, 2006, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 2005.

F. The quarterly reports shall be filed with the Office of Natural Gas Regulatory Activities, Fossil Energy, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 28, 2005.



R. F. Corbin
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Office of Oil and Gas Global Security and Supply
Office of Fossil Energy