

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ROCHESTER GAS AND ELECTRIC CORPORATION)

FE DOCKET NO. 90-04-NG

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

DOE/FE ORDER NO. 485-A

DECEMBER 18, 1992

I. BACKGROUND

On March 19, 1991, Rochester Gas and Electric Company (RG&E) was conditionally authorized in DOE/FE Opinion and Order No. 485 (Order 485) to export to Canada near St. Clair, Michigan, up to 227.5 MMcf of natural gas per day plus such additional gas as may be required for fuel use, and to reimport up to 227.5 MMcf of gas per day near Grand Island, New York (a new border point).^{1/} The term of the export/import authorization is 15 years, beginning on the date of RG&E's first delivery of this gas on the proposed Empire State Pipeline (Empire) system. RG&E is a natural gas and electric public utility serving approximately 260,000 natural gas customers in and around Rochester, New York.

Order 485 made preliminary findings that the export/import arrangement proposed by RG&E would enhance the diversity, availability, and reliability of gas supplies to RG&E and its customers. DOE rejected objections to RG&E's application by CNG Transmission corporation (CNG) which questioned whether the proposed Empire State Pipeline would promote fair competition among pipelines for gas transportation business, whether RG&E's gas transportation arrangement is needed and consistent with FERC's open-access policies, whether RG&E's gas transportation arrangement is an uneconomic bypass of CNG's facilities, and whether RG&E has the long-term gas supply arrangements to support the gas service it proposes to provide in terms of firm gas supply and transportation arrangements. DOE found no basis for these objections. Approval of RG&E's application was conditioned on DOE review of environmental documentation being prepared by

1 1 FE 70,428.

the Federal Energy Regulatory Commission to analyze the construction of the Empire facilities and the subsequent issuance of a final order.

II. FINDINGS

On October 24, 1992, the Energy Policy Act of 1992 (Pub. L. 102-486) was enacted. Section 201 of the Act amends section 3 of the Natural Gas Act (NGA)^{2/} to make a statutory finding in new section 3(c) that natural gas imports from, or exports to , a nation which has in effect a free trade agreement with the United States requiring national treatment for trade in natural gas, are consistent with the public interest. The authorization sought by RG&E to export and import natural gas to and from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, by statute is consistent with the public interest. DOE is required to grant applications within the scope of section 3(c), such as RG&E's, without modification or delay.

ORDER

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

A. Rochester Gas and Electric Corporation (RG&E) is hereby granted final authorization to export to Canada near St. Clair, Michigan, up to 227.5 MMcf per day of natural gas plus such additional volumes as may be used for transportation fuel, and to import from Canada near Grand Island, New York, up to 227.5 MMcf per day of natural gas. The term of the authorization shall be

2 15 U.S.C. 717b.

for 15 years commencing on the date of RG&E's first export/import delivery. This authorization supersedes the conditional authorization granted by DOE/FE Opinion and Order No. 485.

B. RG&E shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date of the initial exports and imports of natural gas made under Ordering Paragraph A above within two weeks after deliveries begin.

C. With respect to the natural gas exports and imports authorized by this Order, RG&E shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether exports/imports of natural gas have been made. If no deliveries have been made, a report of "no activity" for that calendar quarter must be filed. If deliveries have occurred, RG&E must report the total monthly volumes of exports and imports in Mcf.

D. The first quarterly report required by Paragraph C of this Order is due not later than 30 days after the end of the quarter in which deliveries began.

Issued in Washington, D.C., on December 18, 1992.

Charles F. Vacek
Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy