

UNITED STATE OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

ENCOGEN FOUR PARTNERS, L.P.

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FE DOCKET NO. 90-11-NG

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

DOE/FE ORDER NO. 499-A

NOVEMBER 24, 1992

On April 30, 1991, the Office of Fossil Energy (FE) of the Department of Energy (DOE) in DOE/FE Opinion and Order No. 499 (1 FE 70,443) conditionally authorized Encogen Four Partners, L.P. (Encogen) to import up to 14,800 Mcf of natural gas per day from Canada over a 15-year period for use in a 62-megawatt, gas-fired cogeneration facility to be built in Buffalo, New York. Encogen would purchase the gas from Scepter Resources Limited (Scepter). In approving the import arrangement, FE found that it was consistent with section 3 of the Natural Gas Act and DOE's gas import policy guidelines. However, the approval was conditioned upon the issuance of a final order after DOE's review of an environmental analysis being prepared by the Federal Energy Regulatory Commission of the facilities for the proposed Empire State Pipeline project needed to transport the gas.

On March 16, 1992, Encogen filed an amendment to its application changing the point of import to use pipeline facilities currently in place. The import volumes would be delivered in Canada by TransCanada PipeLines Limited to a point of connection with the Niagara Spur Loop facilities jointly owned by Tennessee Gas Pipeline Company, National Fuel Gas Supply Corporation (National Fuel), and others at the U.S./Canada border near Niagara, New York. In the United States, the gas would be transported by National Fuel to the pipeline facilities of National Fuel Gas Distribution Corporation (National Distribution) at Tonawanda, New York. National Distribution would, in turn, deliver the gas to the cogeneration plant.

Other than Encogen's new transportation arrangements, there is no change to the initial facts on which Order 466 was premised.

Encogen supplemented its amended application with a request that the final import authorization be granted in terms of 14,800 MMBtu rather than 14,800 Mcf. Encogen states that although 14,800 Mcf of gas contains 14,000 MMBtu if the heating content of the gas is 1,000 Btu's per cubic foot, the gas purchase contract with Scepter allows delivery of gas with a Btu content of as low as 950 Btu's per cubic foot. The cubic feet required to import 14,800 MMBtu's of 950 Btu gas is 15,579 Mcf.

ORDER

For the reasons set forth above, pursuant to section 3 of the Natural Gas Act, DOE/FE Opinion and Order No. 499 (Order 499), issued April 30, 1991, is hereby amended by removing the condition set forth in Ordering Paragraph B. Accordingly, Encogen Four Partners, L.P. (Encogen) is granted final authorization to import at Niagara Falls, New York, up to 14,800 MMBtu (15,579 Mcf @ 950 Btu/cf) of Canadian natural gas per day under the gas purchase agreement between Encogen and Sceptre Resources Limited dated November 4, 1989, filed in this proceeding. In all other respects, Order 499 shall remain in full force and effect.

Issued in Washington, D.C., on November 24, 1992.

Charles F. Vacek

Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy