

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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TEXAS EASTERN TRANSMISSION) ERA DOCKET NO. 89-26-NG
CORPORATION, et al.))
_____))

ORDER AMENDING PREVIOUS ORDER FOR THE PURPOSE OF
TERMINATING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 425-A

In DOE/FE Opinion and Order No. 425 (Order 425), issued September 29, 1990, Texas Eastern Transmission Corporation (Texas Eastern), Northeast Energy Associates (Northeast), and North Jersey Energy Associates (North Jersey) were authorized to import, jointly, up to a combined average of 101,000 Mcf of Canadian natural gas per day, subject to an annual limitation of 36,865,000 Mcf in a 365-day year and 36,966,000 Mcf in a 366-day year, over a 15-year period which expires November 5, 2006.1/

1/ Great Lakes Gas Transmission Limited Partnership, et al.,

1 FE Para. 70,353. Prior to this final authority, conditional authority was granted by the Department of Energy to the import arrangements of Texas Eastern, Northeast, and North Jersey in DOE/FE Opinion and Order No. 381, issued February 7, 1990 (1 FE Para. 70,299). Order 425 also approved or amended long-term import authorizations for Great Lakes Transmission Limited Partnership (89-15-NG); Project Orange Associates, L.P. (88-01-NG); Long Island Cogeneration Limited Partnership (89-73-NG); Consolidated Edison Company of New York, Inc. (89-24-NG); Indeck-Yerkes Energy

Services, Inc. (succeeded by Indeck-Yerkes Limited Partnership,
(continued...)

This gas is supplied by ProGas Limited (ProGas) under separate contracts. Texas Eastern would use the imported gas for system supply, while Northeast and North Jersey (both limited partnerships) would use the gas as fuel for two cogeneration plants in Massachusetts and New Jersey. Texas Eastern's contract quantity is 29,000 Mcf per day, or a total of 10,585,000 Mcf in a 365-day year and 10,614,000 Mcf in a 366-day year. The two cogeneration plants purchase approximately 36,000 Mcf of gas per day each. Under Order 425, each of the three companies also was allowed to release portions of its authorized daily volume not required to meet its supply requirements to Texas Eastern's or their supplier's marketer for spot market sales to third parties for a period of two years. In addition, Northeast and North Jersey received two-year blanket authorization to import up to 50,000 Mcf of gas per day to be purchased from ProGas and other Canadian suppliers under individually negotiated, short-term, market-responsive agreements.

On August 13, 1993, Texas Eastern notified the Office of Fuels Programs, Fossil Energy, in accordance with Sec. 590.407 of the Department of Energy's (DOE) administrative procedures, that its gas supply contract with ProGas, dated November 3, 1986, as amended, expired on April 1, 1993. The expiration of the contract was part of an overall settlement between ProGas and

1/(...continued)
89-21-NG); Indeck Energy Services of Oswego, Inc. (succeeded by Indeck-Oswego Limited Partnership, 89-22-NG); and National Fuel Gas Supply Corporation (succeeded by National Fuel Gas Distribution Corporation, 86-48-NG).

Texas Eastern involving the assignment of certain upstream transportation agreements in connection with Texas Eastern's restructuring under Federal Energy Regulatory Commission (FERC) Order No. 636.2/

Texas Eastern states that it has not purchased or imported any gas under the ProGas contract since April 1, 1993, nor does it propose to do so in the future. Accordingly, the import authority granted to Texas Eastern in Order 425 is hereby terminated effective on the date of this order.

ORDER

Pursuant to section 3 of the Natural Gas Act, the following language shall be substituted for Ordering Paragraph F of DOE/FE Opinion and Order No. 425 in its entirety:

"Northeast Energy Associates (Northeast) and North Jersey Energy Associates (North Jersey) are authorized to import, jointly, from ProGas Limited (ProGas) up to a combined average of 72,000 Mcf per day of Canadian natural gas, subject to an annual limitation of 26,271,000 Mcf in a 365-day year and 26,352,000 Mcf in a 366-day year, over separate 15-year terms, beginning on the date of first delivery for each applicant, in accordance with the pricing and other provisions of the gas sales agreements contained in their application and discussed in DOE/FE Opinion and Order No. 381 (Order 381) issued February 7, 1990. In addition, as part of this authorization, Northeast and North Jersey may release imported gas not needed, in accordance with their separate

2/ Pipeline Service Obligations and Revisions to Regulations

Governing Self-Implementing Transportation; and Regulation of

Natural Gas Pipelines After Partial Wellhead Decontrol, Order No.

636, 57 F.R. 13267 (April 16, 1992), FERC Statutes and

Regulations Para. 30,939 (April 8, 1992), order on reh'g, Order No.

636-A, 57 F.R. 36128 (August 12, 1992), FERC Statutes and

Regulations Para. 30,950 (August 3, 1992), order on reh'g, Order No.

636-B, 57 F.R. 57911 (December 8, 1992), 61 FERC Para. 61,272 (1992),
rehearing denied, 62 FERC Para. 61,007 (1993); appeal pending sub
nom., Atlanta Gas Light Co. v. FERC, No. 92-8782 (11th Cir.).

special marketing agreements with ProGas, as described in Order 381, for periods of two years beginning on the date(s) of first delivery. Northeast and North Jersey are further authorized to import up to 50,000 Mcf per day of Canadian natural gas from ProGas or other Canadian suppliers for a term of two years beginning on the date of first delivery.

In all other respects, Order 425 shall remain in full force and effect.

Issued in Washington, D.C., on September 30, 1993.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy

