

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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INDECK-YERKES LIMITED PARTNERSHIP )  
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DOCKET NO. 92-158-NG

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

DOE/FE ORDER NO. 763

JANUARY 22, 1993

I. BACKGROUND

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On December 8, 1992, as supplemented on December 15, 1992, and on December 22, 1992, Indeck-Yerkes Limited Partnership (Indeck-Yerkes L.P.) filed an application with the Office of Fossil Energy of the Department of Energy (DOE) under section 3 of the Natural Gas Act<sup>1/</sup> for authorization to import natural gas from Canada. The authorization would permit Indeck-Yerkes L.P. to import up to 1,200 MMBtu's per day (approximately 1,200 Mcf), plus transportation fuel, over a period of four years to be used as fuel in its 53-megawatt cogeneration facility in the Town of Tonawanda, New York. Indeck-Yerkes L.P. is the limited partner of Indeck-Yerkes Energy Services, Inc. Both companies have their principal place of business in Buffalo Grove, Illinois.

Indeck-Yerkes L.P. will purchase the gas from Northstar Energy Corporation under a gas purchase contract dated July 6, 1992, the term of which began on November 1, 1992, and will continue until November 1, 1996. The volumes are currently being imported through existing pipeline facilities at the U.S./Canada border near Niagara, New York, and then are transported to the Niagara Spur Loop Line, a pipeline facility jointly owned and used by a number of domestic interstate pipelines, including National Fuel Gas Supply Corporation (NFGS).<sup>2/</sup> The gas is

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1/ 15 U.S.C. 717b.

2/ Indeck-Yerkes L.P. has been importing the gas under its current two-year blanket authorization pending a decision on this

application for long-term authorization. See DOE/FE Order Nos. 493 (1 FE 70,436) and 732 (not yet published).

transported through the Niagara Spur Loop Line to NFGS's existing facilities at East Aurora, New York, for delivery to National Fuel Gas Distribution Corporation, which then delivers the gas to the Tonawanda cogeneration project. The contract specifies a fixed commodity price starting at \$1.52 (U.S.) per MMBtu (1992-1993) and escalating to \$1.76 (U.S.) per MMBtu (1995-1996), for gas delivered to Empress, Alberta. Indeck-Yerkes L.P. has arranged separately for transportation on TransCanada Pipelines Limited to the U.S./Canada border. The contract also requires Indeck-Yerkes L.P. to pay a deficiency charge if it fails to nominate the minimum annual quantity in any contract year.

### III. FINDING

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The application filed by Indeck-Yerkes L.P. has been evaluated to determine if the proposed import arrangement meets the public interest requirements 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 importation 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 Indeck-Yerkes L.P. 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

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

A. Indeck-Yerkes Limited Partnership (Indeck-Yerkes L.P.) is authorized to import up to 1,200 Mcf per day, plus transportation fuel, of natural gas from Canada over a period of four years beginning on the date of this authorization and continuing through October 31, 1996, consistent with the terms of the July 6, 1992, contract with Northstar Energy Corporation on file in this docket.

B. Within two weeks after deliveries begin, Indeck-Yerkes L.P. shall notify the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Indeck-Yerkes L.P. shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports occur, Indeck-Yerkes L.P. must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered to the international border. The monthly price information shall itemize separately

the commodity and transportation charges, including any deficiency charge that Indeck-Yerkes L.P. pays.

Issued in Washington, D.C., on January 22, 1993.

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