

FE DOCKET NO.: 95-65-NG

APPLICANT(S): PITTSFIELD GENERATING COMPANY, L.P.

ITEM	PREPARED OR FILED BY	FILING TYPE	DESCRIPTION OF DOCUMENT	DATED	DATE FILED OR ISSUED
1	ALTRESCO PITTSFIELD, L.P.	APPLICATION	Application for an Order Authorizing Long Term Import of Natural Gas from Canada	95-09-29	95-09-29
2	DOE/ERA	ORDER	Order 1089-Granting Long Term Import of Natural Gas from Canada	95-09-28	95-09-28
3	DOE/FE	FEDERAL REGISTER ISSUED ORDER	60 FR 53771, 10/17/95	95-09-28	95-09-28
4	PITTSFIELD GENERATING COMPANY, L.P.	AMENDMENT	Amendment Reflecting Name Change from Altresco Pittsfield, L.P.	96-08-08	96-08-08
5	DOE/ERA	ORDER	Order 1089-A Amending Long-Term Authority to Import Natural Gas Reflecting Name Change	96-10-25	96-10-25

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WRITER'S DIRECT DIAL

August 29, 1995

Ms. Larine Moore  
Office of Fuels Programs  
Fossil Energy  
U.S. Department of Energy  
Forrestal Building  
Docket Room 3F-056, FE-50  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Re: Application for Long-Term Authorization to  
Import Natural Gas from Canada,  
FE Docket No. 95-65-NG

Dear Ms. Moore:

Please find enclosed for filing an original and fifteen (15) copies of the Application of Altresco Pittsfield, L.P. for Long-Term Authorization to Import Natural Gas from Canada. Also enclosed is a check in the amount of \$50.00 for the filing fee.

Please date-stamp the enclosed sixteenth copy of the Application and return it to us via our messenger. Thank you for your assistance.

Very truly yours,



Nancie A. Thomas

Enclosures

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

RECEIVED 10/15/95

\_\_\_\_\_) )  
In the Matter of ) )  
\_\_\_\_\_) )  
~~ALTRESKO PITTSFIELD, L.P.~~ ) )  
Pittsfield Generating Co., L.P. ) )

FE Docket No. 95-65-NG

APPLICATION FOR LONG-TERM AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, the regulations of the Department of Energy ("DOE"), 10 C.F.R. § 590.201, et seq., and DOE Delegation Order Nos. 0204-111 and 0204-127, Altresco Pittsfield, L.P. ("Altresco Pittsfield") hereby applies to the Office of Fossil Energy ("OFE") for authority to import up to 11,757 Mcf of natural gas per day from Canada for a term of sixteen years and two months beginning November 1, 1995.

In support of its application, Altresco Pittsfield states as follows:

I.

The exact legal name of Altresco Pittsfield is Altresco Pittsfield, L.P. The principal office of Altresco Pittsfield is located at One Bowdoin Square, Boston, Massachusetts 02114. Altresco Pittsfield is a Delaware limited partnership authorized

to do business in Massachusetts. As stated in the opinion of counsel, attached hereto as Exhibit A, the proposed imports are within the partnership powers of Altresco Pittsfield.

Communications regarding this Application should be directed to:

James H. Leonard  
Senior Vice President - Fuel Services  
ALTRESCO PITTSFIELD, L.P.  
One Bowdoin Square  
Boston, Massachusetts 02114

Kenneth M. Simon  
Joan M. Darby  
Dickstein, Shapiro & Morin  
2101 L Street, N.W.  
Washington, D.C. 20037

## II.

Altresco Pittsfield is the owner and operator of a 160 MW natural gas-fired combined cycle electric cogeneration facility (the "Facility") in Pittsfield, Massachusetts that began commercial operation in September, 1990. Altresco Pittsfield's gas requirements for the Facility have previously been supplied pursuant to various purchase arrangements with Canadian suppliers and imported under Vector Energy (U.S.A.) Inc.'s blanket import authorization granted by DOE/FE Opinions and Orders Nos. 699 and 699-A, 1 FE ¶ 70,861 (1992) and 1 FE ¶ 70,810 (1993), and

Altresco Pittsfield's blanket import authorization granted by DOE/FE Opinion and Order No. 868, 1 FE ¶ 70,874 (1993).

On August 23, 1995, Altresco Pittsfield entered into a Natural Gas Purchase and Sale Agreement with Home Oil Company Limited ("Home Oil") for the purchase of up to 11,757 Mcf per day of natural gas commencing November 1, 1995 (the "Home Oil Agreement"). This Application concerns the Home Oil gas supply. The Home Oil Agreement is attached hereto as Exhibit B.

On August 23, 1995, Altresco Pittsfield entered into a Natural Gas Purchase and Sale Agreement with Talisman Energy Inc. ("Talisman") for the purchase of up to 22,420 Mcf per day of natural gas commencing November 1, 1995 (the "Talisman Agreement"). The Talisman gas supply is the subject of a separate application being filed concurrently by Altresco Pittsfield.

### III.

The principal terms of the Home Oil Agreement are as follows:

Term. The Home Oil Agreement became effective on August 23, 1995, the date it was executed. The Date of First Delivery is November 1, 1995. The term of the Home Oil Agreement will continue through October 31, 2011. Altresco Pittsfield has

the right to extend the term through December 31, 2011 by giving written notice by August 1, 2011. If the Daily Contract Quantity ("DCQ") is at any time during the term reduced to zero, the Home Oil Agreement will be terminated as of the date of such reduction. The obligations of Altresco Pittsfield under the Home Oil Agreement are subject to the consents of New England Power Company, a power purchaser from Altresco Pittsfield, and General Electric Capital Corporation, the lender to Altresco Pittsfield. The Home Oil Agreement is terminable by either party if such consents are not obtained within 65 days of its execution.

Delivery Point. The Delivery Point for the gas volumes will be the point of interconnection between the pipeline systems of NOVA Gas Transmission Limited and TransCanada PipeLines Limited ("TransCanada") located at the Alberta-Saskatchewan border near Empress, Alberta, or such other point as the parties may agree in writing.

Quantity. Home Oil is to sell and deliver, and Altresco is to purchase and receive, the volume of gas up to the DCQ of 11,757 Mcf nominated by Altresco Pittsfield for each day of the term.

If, in any contract year, Altresco Pittsfield does not nominate at least a minimum amount of gas equal to 95% of the Pro-Rata Amount, defined as 34.4% of the Facility's gas

requirements in a contract year, Altresco Pittsfield is to pay to Home Oil for each MMBtu of the Pro-Rata Amount not nominated an amount that is equal to the difference between (i) the average price under the Home Oil Agreement in that contract year and (ii) the average of the monthly average AECO/NIT daily spot price, as published by the Canadian Gas Price Reporter, less the cost of firm NOVA receipt service calculated on a 100% load factor basis, both being converted into \$U.S./MMBtu. In the event that the Canadian Gas Price Reporter ceases to publish the spot gas reference, the parties shall agree upon or, in the absence of agreement, arbitrate a replacement reference reflective of the AECO/NIT daily spot price.

The Home Oil Agreement also provides for a Minimum Annual Quantity. It is determined by taking the quantity equal to 75% of the sum of the DCQ's in a contract year (less any volumes not taken because of an event of force majeure), and subtracting therefrom (i) any portion of the Pro-Rata Amount not nominated by Altresco Pittsfield and (ii) 50% of any volumes deemed to have been nominated by Altresco Pittsfield when Home Oil utilizes Altresco Pittsfield's capacity on TransCanada PipeLines Limited ("TCPL") pursuant to Section 4.7 of the Home Oil Agreement, i.e., one-half of the volumes transported on TCPL while Home Oil utilizes the TCPL capacity. If, in any contract year, Altresco Pittsfield fails to nominate the Minimum Annual Quantity,

Altresco Pittsfield may elect to pay a Reservation Fee equal to \$0.25US per MMBtu of the Minimum Annual Quantity not nominated, escalated annually at one-half of the Consumer Price Index ("CPI"), with the base CPI equal to the CPI for November 1995, Boston Area, all items. If Altresco Pittsfield does not elect to pay the Reservation Fee, Home Oil has the option during the period sixty to ninety days after the end of the contract year to permanently reduce the DCQ by an amount equal to the quotient of the amount of the Minimum Annual Quantity not taken divided by the number of days in the contract year.

Price. The price of gas delivered each month under the Home Oil Agreement will be composed of (i) a Monthly Demand Charge, consisting of the NOVA demand and other related charges approved by the Alberta Energy and Utilities Board ("EUB") with respect to the NOVA Capacity (defined as the NOVA delivery capacity equal to the DCQ and the NOVA receipt capacity equal to 1.01 times the DCQ), based on Rate Schedule FS or substitute tariff in effect for such month and converted from Canadian to U.S. dollars per MMBtu, (ii) a Monthly Commodity Charge, consisting of the NOVA commodity and other related charges approved by the EUB with respect to the NOVA capacity required to deliver volumes under the Home Oil Agreement, based on Rate Schedule FS or substitute tariff in effect for such month and converted from Canadian to U.S. dollars per MMBtu, (iii) the Gas



Price for such month for each MMBtu of gas used for fuel on NOVA to deliver volumes to the Delivery Point under the Home Oil Agreement that month, such fuel not to exceed 1% of the DCQ, and (iv) the Gas Price for such month for each MMBtu of gas delivered under the Home Oil Agreement that month.

The Gas Price per MMBtu of gas for each month will be equal to the base price of \$1.26US adjusted monthly based on changes in a fuel index amount over the base index amount of \$1.81US. The fuel index amount for any month is comprised of (i) a 50% weighting of the average of the daily quotes for such month for No. 6 fuel oil (2.2% sulphur) as reported in Platt's Oilgram Estimated New York Harbor Spot Price, low cargo quotation, assuming 6.3 MMBtu per barrel, (ii) a 40% weighting of the arithmetic average of the T2 spot price for each of the 12 months immediately preceding such month where the T2 spot price is equal to the arithmetic average of the Louisiana and Offshore and Texas spot price indices for Tennessee Gas Pipeline Company, and the East Louisiana, West Louisiana, East Texas and South Texas indices for the Texas Eastern Transmission Corp., each as published in Inside F.E.R.C.'s Gas Market Report, and (iii) a 10% weighting of the New England Power Company's weighted average delivered coal cost for such month as reported in the most recently submitted FERC Form 423. The Gas Price at no time shall be less than \$1.12US.

Altresco Pittsfield shall be relieved of responsibility for NOVA demand charges, calculated on a per Mcf basis at 100% load factor, with respect to any portion of the DCQ that Home Oil fails to deliver in default of its delivery obligations and or due to force majeure declared by Home Oil.

In the event that the Monthly Energy Charge is renegotiated or arbitrated under the Power Sale Agreement, or any index or publication is replaced under the Power Sale Agreement (meaning, collectively, the Power Sale Agreement dated February 20, 1992 between Altresco Pittsfield and Commonwealth Electric Company, and the Power Sale Agreement dated February 20, 1992 between Altresco Pittsfield and Cambridge Electric Light Company), the Gas Price is to be amended to be consistent with the renegotiated Monthly Energy Charge under the Power Sale Agreement and any index or publication in Schedule A is to be replaced to be consistent with any replacement index or publication under the Power Sale Agreement. Altresco Pittsfield and Home Oil have agreed to develop a common position under any Power Sale Agreement renegotiation or arbitration with respect to amending the price or replacing an index or publication and to be bound by the results of any renegotiation or arbitration under the Power Sale Agreement with the intention that the Gas Price under the Home Oil Agreement be adjusted to the same extent and in the same manner that the fuel price is adjusted under the

Power Sale Agreement (taking into account heat rates under the Power Sale Agreement to equate gas and electric prices).

Security of Supply. In the event of a supply or delivery failure by Home Oil, Home Oil is obligated to, and warrants that it will, secure at its sole expense, replacement supplies. In addition, on any day Home Oil fails to supply or deliver the daily nomination, Home Oil is obligated to use reasonable efforts to deliver gas at alternate delivery points at which Altresco Pittsfield has the ability to receive gas, failing which Home Oil shall curtail all interruptible gas sales and then curtail firm deliveries to enable Home Oil to deliver to Altresco Pittsfield a pro-rata share of gas from Home Oil's corporate gas pools.

Home Oil represents that it has uncontracted Western Canadian gas reserves sufficient to satisfy the quantities it has agreed to sell and deliver to Altresco Pittsfield for the term of the Home Oil Agreement. Each year Home Oil must provide Altresco Pittsfield all reserves reports filed by Home Oil with the Alberta Energy and Utilities Board and, if Home Oil does not so file a reserves report at least every two years, Home Oil shall nevertheless provide Altresco Pittsfield with a reserves report every two years and a corporate pool deliverability forecast. If any such report indicates that Home Oil's uncommitted reserves are less than 100% of the remaining requirements under the Home Oil Agreement or the deliverability from Home Oil's corporate

pool is likely to be less than its firm sales obligation at any time in the succeeding five years, the parties are obligated to meet and use reasonable efforts to cure the deficiency.

#### IV.

Altresco Pittsfield will not own or operate any natural gas facilities. The gas delivered by Home Oil under the Home Oil Agreement will be received by TransCanada for the account of Altresco Pittsfield and transported first by TransCanada to a point on the international border at Niagara, New York and then by Tennessee Gas Pipeline Company ("Tennessee") and Berkshire Gas Company ("Berkshire") to the Facility in Pittsfield, Massachusetts. The initial 100% load factor rate to be charged by TransCanada is \$0.70US/MMBtu, by Tennessee is \$0.58US/MMBtu and by Berkshire is \$0.15US/MMBtu. Altresco Pittsfield requests that it be authorized to import the gas at any alternative point on the international border at which transportation facilities accessible to Altresco Pittsfield are located.


#### V.

Section 3 of the Natural Gas Act provides that an import or export of natural gas must be authorized unless there is a finding that it "will not be consistent with the public interest." 15 U.S.C. § 717b(a) (1993). As amended by Section 201 of The Energy Policy Act of 1992, P.L. 102-486, 106 Stat.

2866 (1992), 15 U.S.C. § 717b(c) (1993), the importation and exportation of natural gas from and to "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. 15 U.S.C. § 717b(c). This authorization, sought by Altresco Pittsfield, is to import natural gas from Canada, a nation with which a free trade agreement is in effect. It therefore meets the new Section 3(c) criterion, and should be approved as consistent with the public interest.

WHEREFORE, Altresco Pittsfield respectfully requests authorization to import up to 11,757 Mcf of natural gas per day from Canada for a term of sixteen years and two months beginning November 1, 1995.

Dated: August 29, 1995      Respectfully submitted,


By:   
\_\_\_\_\_  
Kenneth M. Simon  
Joan M. Darby  
Nancie A. Thomas  
Dickstein, Shapiro & Morin, L.L.P.  
2101 L Street, N.W.  
Washington, DC 20037  
(202) 785-9700

Attorneys for Altresco  
Pittsfield, L.P.

AFFIDAVIT

DISTRICT OF COLUMBIA, ss:

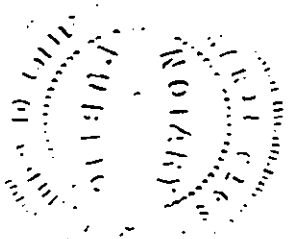
NANCIE A. THOMAS, being first duly sworn upon oath, deposes and says that she is Counsel to Altresco Pittsfield, L.P., a Delaware limited partnership; that as such she has signed the foregoing Application for Long-Term Authorization to Import Natural Gas from Canada for and on behalf of Altresco Pittsfield, L.P.; that she signed the Application with full power and authority to do so; that she has read the same and is familiar with the contents thereof; and that the facts set forth are true and correct to the best of her knowledge, information and belief.

  
\_\_\_\_\_  
Nancie A. Thomas  
Counsel to Altresco  
Pittsfield, L.P.

Subscribed and sworn before me, a Notary Public in and for the District of Columbia, this 29th day of August, 1995.

  
\_\_\_\_\_  
Notary Public

My Commission expires: 2/28/2000



DICKSTEIN, SHAPIRO & MORIN, L.L.P.

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WRITER'S DIRECT DIAL

August 29, 1995

Mr. James H. Leonard  
Senior Vice President  
Altresco Inc., as General Partner  
Altresco Pittsfield, L.P.  
One Bowdoin Square  
Boston, MA 02114

Dear Mr. Leonard:

It is our understanding that Altresco Pittsfield, L.P., a Delaware limited partnership, proposes to submit an application (the "Application") to the Office of Fossil Energy of the Department of Energy pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, for a Long-Term Authorization to Import Natural Gas from Canada pursuant to Altresco's Natural Gas Purchase and Sale Agreement, dated August 23, 1995 with Home Oil Company Limited. For the purposes of the Application to the Office of Fossil Energy, as prescribed by Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. § 590.202(c), our opinion is that the proposed imports described in the Application are within the partnership powers of Altresco Pittsfield, L.P.

Very truly yours,

*Dickstein, Shapiro & Morin, L.L.P.*

DICKSTEIN, SHAPIRO & MORIN, L.L.P.

**NATURAL GAS PURCHASE  
AND SALE AGREEMENT**

**BETWEEN**

**HOME OIL COMPANY LIMITED**

**- and -**

**ALTRESCO PITTSFIELD, L.P.**

*Dated August 23, 1995*



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**SCHEDULE "A"**

**SCHEDULE "B"**

# NATURAL GAS PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 23rd day of August, 1995,

B E T W E E N:

**HOME OIL COMPANY LIMITED**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as "Seller")

OF THE FIRST PART

- and -

**ALTRESCO PITTSFIELD, L.P.**, a limited partnership formed under the laws of the State of Delaware, as represented by its General Partner **ALTRESCO, INC.**, a body corporate, having an office in the City of Boston, in the Commonwealth of Massachusetts (hereinafter referred to as "Buyer")

OF THE SECOND PART

**WHEREAS** Seller has agreed to sell and deliver Gas to Buyer and Buyer has agreed to purchase and receive such Gas for the purposes of and in accordance with the terms of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants herein contained, the parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

- (a) **"Agreement"** means this Agreement together with the Schedules;
- (b) **"Berkshire"** means The Berkshire Gas Company or any successor thereto;
- (c) **"British Thermal Unit" or "Btu"** means the amount of heat required to raise the temperature of one (1) pound of distilled water from fifty-nine degrees Fahrenheit (59°F) to sixty degrees Fahrenheit (60°F) at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia);
- (d) **"Business Day"** means any Day other than a Saturday, a Sunday or a Day which is a statutory holiday in either Boston, Massachusetts or Calgary, Alberta;

- (e) **"Cambridge"** means Cambridge Electric Light Company or any successor thereto;
- (f) **"ComElec"** means Commonwealth Electric Company or any successor thereto;
- (g) **"Contract Year"** means a period of twelve (12) consecutive Months beginning with the first Day of November in any calendar year and ending with the last Day of October in the next succeeding calendar year;
- (h) **"CPI"** means the Consumer Price Index for All Urban Consumers, unadjusted for seasonal variations, all items indexed for Boston-Lawrence-Salem, MA-NH, as published in the Bureau of Labor Statistics' CPI Detailed Report, with the Base CPI equal to November, 1995, or, if such index is no longer published, then such replacement or successor index as may be reasonably determined by Buyer and Seller together, failing which such replacement shall be a substantially similar index of consumer price increases published by the Bureau of Labor Statistics or other governmental authority chosen by an arbitrator in accordance with Article 13 of this Agreement;
- (i) **"Daily Contract Quantity" or "DCQ"** means a volume of  $333.1 \times 10^3 \text{m}^3$  (11,757 mcf) of Gas, subject to reduction pursuant to the provisions of Sections 4.4 and 12.3;
- (j) **"Daily Nomination"** means the volume of Gas, up to the DCQ, nominated by Buyer or its authorized agent or representative in accordance with Section 4.2 for purchase from Seller for each Day or any portion thereof;
- (k) **"Date of First Delivery"** means November 1, 1995;
- (l) **"Day"** means a period of twenty-four (24) consecutive hours beginning and ending at 8:00 A.M. Mountain Standard Time or Mountain Daylight Time, whichever is in effect in Alberta, and the reference date for any Day shall be the calendar date upon which such twenty-four (24) hour period begins;
- (m) **"Delivery Point"** means the point of interconnection between the NOVA and TCPL systems at the Alberta - Saskatchewan border near Empress, Alberta or such other point as the parties may agree upon in writing;
- (n) **"EUB"** means the Alberta Energy and Utilities Board or any successor thereto;
- (o) **"Event of Force Majeure"** has the meaning attributed thereto in Section 14.1;
- (p) **"Facility"** means the cogeneration facility constructed and managed by Buyer at the General Electric facility site at Pittsfield, Massachusetts;
- (q) **"Financial Institution"** means a corporation, partnership or other entity which:
  - (i) is incorporated or formed under the laws of the United States of America, any of its states, Canada or any of its provinces;
  - (ii) is primarily in the business of lending money and providing credit; and
  - (iii) has a credit rating of 'AA' (or

equivalent) or better as rated by Standard & Poors, Moody's Investor Service, Canadian Bond Rating Service or Dominion Bond Rating Service;

- (r) **"Fuel Index Amount"** means, for any Month, the Fuel Index Amount for such Month as determined in accordance with Schedule "A";
- (s) **"Gas"** means a gaseous mixture consisting primarily of methane, and includes natural gas, solution gas and any primarily methane gas mix derived through the processing of natural gas, solution gas, crude oil or condensate;
- (t) **"Gas Price"** means, for any Month, a price per MMBtu of Gas, stated in \$U.S., determined in accordance with Schedule "A";
- (u) **"GECC"** means General Electric Capital Corporation or any successor thereto;
- (v) **"GJ"** means gigajoules or one billion (1,000,000,000) Joules;
- (w) **"Joule" or "J"** means the work done when the point of application of a force of one (1) newton is displaced a distance of one (1) meter in the direction of the force;
- (x) **"Letter Agreement"** means the Letter Agreement between Buyer and Seller dated May 15, 1995;
- (y) **"mcf"** means the quantity of Gas which occupies one thousand (1,000) cubic feet of space at a temperature of sixty degrees Fahrenheit (60°F) and a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia);
- (z) **"MMBtu"** means one million (1,000,000) Btus;
- (aa) **"Minimum Annual Quantity" or "MAQ"** means, with respect to any Contract Year, the following, expressed as a mathematical formula:

$$\text{MAQ} = 0.75(\text{SUM DCQs} - \text{FMV}) - \text{PSQ} \div \text{TCPLV}$$

Where:

MAQ	=	Minimum Annual Quantity
SUM DCQs	=	Sum of the DCQ's in the Contract Year
FMV	=	Quantities not taken due to an Event of Force Majeure
PSQ	=	any Pro-Rata Shortfall Quantity as defined in Section 4.3 with respect to which Buyer has paid a fee to Seller pursuant to Section 4.3
TCPLV	=	Quantities deemed to be nominated pursuant to Section 4.7

- (ab) **"Month"** means the period beginning at 8:00 A.M. Mountain Standard Time or Mountain Daylight Time, whichever is in effect in Alberta on the first Day of a

calendar month and ending at 8:00 A.M. Mountain Standard Time or Mountain Daylight Time, whichever is in effect in Alberta, on the first Day of the next succeeding calendar month;

- (ac) **"NEP"** means New England Power Company or any successor thereto;
- (ad) **"NOVA"** means NOVA Gas Transmission Ltd. or any successor thereto;
- (ae) **"NOVA Capacity"** means NOVA delivery capacity equal to the DCQ and NOVA receipt capacity equal to 1.01 times the DCQ;
- (af) **"Power Sale Agreement" or "PSA"** means collectively: (i) the Power Sale Agreement entered into February 20, 1992 between Buyer and ComElec, as amended; and (ii) the Power Sale Agreement entered into February 20, 1992 between Buyer and Cambridge, as amended;
- (ag) **"Prime Rate"** means an annual rate of interest equal to the floating annual rate of interest from time to time set by the Canadian Imperial Bank of Commerce as the prime rate used by it to determine rates of interest charged on U.S. dollar commercial loans to customers in Canada, being the rate from time to time quoted as such by the main branch of the said Bank in Calgary, Alberta; provided, however, that if at any time the said Bank ceases to exist or to quote a prime rate as aforesaid, the applicable rate of interest shall be the rate quoted as the prime rate as aforesaid of the largest Canadian chartered bank (determined on the basis of total assets) quoting such a rate at the relevant time of consideration;
- (ah) **"Pro-Rata Amount"** means, for each Contract Year, the sum of 34.4% of the Facility's total actual Gas requirements, plus applicable fuel gas volumes downstream of the Delivery Point, up to the DCQ for each Day of that Contract Year, less any volumes not taken due to Seller's failure to deliver or an Event of Force Majeure;
- (ai) **"Reservation Fee"** has the meaning attributed thereto in Section 4.4;
- (aj) **"Schedule"** means a Schedule to this Agreement;
- (ak) **"Seller's Account"** means U.S. \$ Account No. 8060-0805-7302345, ABA # 026003243 maintained by Seller at the #2 Calgary Place, 340 - 5th Avenue S.W. branch of The Toronto Dominion Bank in Calgary, Alberta, or such other banking account as Seller may from time to time designate;
- (al) **"Spot Exchange Rate"** means, for any Month, the average noon spot exchange rate applicable to the exchange of Canadian dollars for U.S. dollars during such Month, as quoted by the Bank of Canada following the end of such Month;
- (am) **"TCPL"** means TransCanada PipeLines Limited or any successor thereto;



- (an) **"Tennessee"** means Tennessee Gas Pipeline Co. or any successor thereto;
- (ao) **"Term"** has the meaning ascribed thereto in Section 3.1;
- (ap) **"10<sup>3</sup>m<sup>3</sup>"** means the quantity of Gas which occupies one thousand (1,000) cubic metres of space at a temperature of fifteen degrees Celsius (15°C) and a pressure of one hundred and one and three hundred and twenty-five one thousandths kilopascals absolute (101.325 kpa).

1.2 **Currency.** All references to dollars (\$) and cents in this Agreement shall be references to U.S. dollars (U.S. \$) and U.S. cents unless otherwise specified. Any amounts required to be converted from Canadian dollar amounts to U.S. dollar amounts, and vice versa, for purposes of determining payment obligations hereunder shall be converted using the Spot Exchange Rate for the Month immediately preceding the date on which the amount to be converted first becomes due hereunder.

1.3 **Schedules.** The following schedules attached hereto are incorporated into and form part of this Agreement:

- Schedule "A" - Gas Price and Fuel Index Amount; and
- Schedule "B" - Sample Indices

1.4 **Conversions.** The conversion of any quantity or value referred to below shall be as follows:

MMBtu x 1.054615	=	GJ
mcf x 28.32784	=	m <sup>3</sup>
psi x 6.894757	=	kPa
(°F - 32) x 5/9	=	°C

1.5 **Heat Content.** Subject to Sections 5.2 and 5.3, the total energy content per cubic foot of Gas shall be expressed in Btus determined on the basis of the complete combustion of one cubic foot of such Gas with air at a temperature of sixty degrees Fahrenheit (60°F), with such Gas free of all water vapour and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch, with the products of combustion cooled to the initial temperature of the Gas and the water formed by such combustion condensed to a liquid state at the initial temperature of the Gas.

1.6 **References.** In this Agreement: words importing the singular shall include the plural and vice versa; words importing gender shall include the masculine, feminine and neuter genders; references to a "person" or "persons" shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as the context may require; references to a "party" or "parties" are references to a party or parties to this Agreement; and references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Agreement and not to any particular article, section, subsection or schedule.

- 1.7 **Headings.** The use of headings in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

**ARTICLE 2  
TRANSPORTATION ARRANGEMENTS  
AND REGULATORY AUTHORIZATIONS**

- 2.1 **Delivery Point.** All Gas to be supplied by Seller to Buyer under this Agreement shall be delivered to, and received by, Buyer at the Delivery Point.
- 2.2 **Transportation Service.** Buyer acknowledges and agrees that it has undertaken to obtain, and once obtained, to maintain in effect from the Date of First Delivery through the remainder of the Term, the right to firm transportation service for the daily transportation of the full DCQ (less applicable fuel gas requirements) from the Delivery Point to the Facility. Similarly, Seller acknowledges and agrees that it has undertaken to obtain, and to maintain in effect from the Date of First Delivery through the remainder of the Term, the right to firm transportation service for the daily transportation of the full DCQ from the anticipated point of production to the Delivery Point. If Buyer or Seller, as the case may be, fails to obtain and maintain the firm transportation service rights so required, and as a result thereof is at any time prevented in whole or in part from fulfilling any of its Gas receipt or delivery obligations hereunder, it shall not be entitled to claim such lack of transportation as an Event of Force Majeure or other justifiable excuse for its non-performance of the subject obligation, and shall accordingly be fully liable for the non-performance of such obligations; provided, however, that if the firm transportation service rights required to be obtained and maintained by Buyer or Seller, as the case may be, have been put in place in a legally effective manner, Buyer or Seller, as the case may be, shall thereafter be entitled to rely on the provisions of Article 14 with respect to the interruption, curtailment or termination of, or other interference with such service.
- 2.3 **Seller's Authorizations.** Seller shall use all reasonable efforts to obtain and maintain in effect from the Date of First Delivery through the remainder of the Term all necessary certificates, permits, licenses, and authorizations from Canadian governmental and regulatory authorities, whether federal, provincial, local or otherwise, for the removal, sale, transport and export of the DCQ from the Province of Alberta pursuant hereto, including, without limitation, a long-term removal permit from the EUB for the full DCQ from the Date of First Delivery through the remainder of the Term.
- 2.4 **Buyer's Authorizations.** Buyer shall use all reasonable efforts to obtain and maintain in effect from the Date of First Delivery through the remainder of the Term all necessary certificates, permits, licenses and authorizations from federal Canadian governmental and regulatory authorities for the export of the DCQ (less TCPL fuel gas volumes) from Canada pursuant hereto, and from United States governmental and regulatory authorities, whether federal, state, local or otherwise, for the purchase, transport, and importation of the DCQ (less TCPL fuel gas volumes) into the United States pursuant hereto, including, without limitation, a long-term export license from the Canadian National Energy Board and a long-term import authorization from the

United States Department of Energy both for the full DCQ (less TCPL fuel gas volumes) from the Date of First Delivery through the remainder of the Term.

- 2.5 **Short-Term Authorizations.** To the extent necessary, the parties shall use all reasonable efforts to obtain and maintain a short-term removal permit, a short-term export order and a short-term import order (collectively the "Short Term Authorizations") until the long-term removal permit referred to in Section 2.3 and the long-term export license and import authorization referred to in Section 2.4 (collectively the "Long-Term Authorizations") can be obtained. If, despite the reasonable efforts of the parties, any or all of the Long-Term Authorizations are refused in a final manner by the relevant authorities, then the parties shall continue to operate under the Short Term Authorizations and shall use all reasonable efforts to renew or replace the Short Term Authorizations through the remainder of the Term.
- 2.6 **TCPL Transportation.** Buyer shall use all reasonable efforts to obtain TCPL firm transportation service for the full DCQ (less applicable fuel gas requirements) from the Delivery Point to Niagara Falls, Ontario pursuant to Section 2.2. However, notwithstanding Section 2.2, if despite the reasonable efforts of Buyer, such TCPL transportation service is not obtained by November 1, 1995, then Buyer may terminate this Agreement at any time within sixty (60) Days thereof.

### ARTICLE 3 TERM

- 3.1 **Term.** The term of this Agreement (the "Term") shall commence on the day and the year first written above and shall continue in full force and effect until October 31, 2011, unless otherwise terminated prior to such date in accordance herewith. If at any time the DCQ is reduced to 0 10<sup>3</sup>m<sup>3</sup>, this Agreement will be terminated at the time of such reduction. Buyer shall have the right to extend the Term to December 31, 2011 by providing written notice thereof to Seller by August 1, 2011.
- 3.2 **Consent of NEP and GECC.** Buyer's obligations under this Agreement shall be subject to the consent of NEP and GECC, provided that if Buyer has not obtained such consents within 65 Days of the execution of this Agreement, this Agreement shall be terminable by either party at any time until the last to be obtained of such consents has been obtained. If this Agreement is terminated under this Section 3.2, the provisions of the Letter Agreement shall govern the relationship between the parties.

### ARTICLE 4 QUANTITY

- 4.1 **Delivery Obligation.** Starting on the Date of First Delivery, and continuing for the Term, Seller shall sell and deliver to Buyer, on a firm basis, and Buyer shall receive and purchase from Seller the Daily Nomination on each Day.

- 4.2 **Nominations.** Buyer shall notify Seller of the Daily Nomination in accordance with the nomination deadlines of NOVA and TCPL, and the volume of Gas nominated by Buyer for any particular Day shall remain the standing nomination for each ensuing Day until changed by notice given to Seller as aforesaid.
- 4.3 **Pro-Rata Take.** If in any Contract Year, Buyer fails to nominate a minimum of ninety-five percent (95%) of the Pro-Rata Amount, Buyer shall pay a fee equal to the product of: (i) the positive difference, if any, between (A) the arithmetic average of the Gas Price for all Months in the Contract Year, and (B) the arithmetic average of the monthly average AECO/NIT daily spot price (converted into \$U.S./MMBtu) for all Months in the Contract Year, as published in the Canadian Gas Price Reporter ("CGPR"), less the cost of firm NOVA receipt service (calculated on a 100% load factor basis), converted into \$U.S./MMBtu; and (ii) the quantity of Gas equal to the Pro-Rata Amount minus the volumes nominated by Buyer in that Contract Year ("Pro-Rata Shortfall Quantity"). If the CGPR spot gas reference ceases to be available, the parties shall agree on an acceptable replacement reference reflective of the AECO/NIT spot gas price. If the parties are unable to agree, the replacement reference shall be determined by arbitration pursuant to Article 13.
- 4.4 **Minimum Annual Take.** If in any Contract Year, Buyer fails to nominate the MAQ, Buyer may elect, within 60 days of the end of the Contract Year, to pay a reservation fee ("Reservation Fee") equal to the product of: (i) \$U.S. 0.25/MMBtu (escalated each Contract Year at 1/2 CPI); and (ii) the MAQ minus volumes nominated by Buyer in that Contract Year ("Annual Shortfall Quantity"). If Buyer does not elect to pay the Reservation Fee, Seller shall have the option, by giving written notice to Buyer between 60 and 90 days after the end of the Contract Year, to permanently reduce the DCQ by the Annual Shortfall Quantity divided by the number of Days in the Contract Year and such reduction shall be effective as of the next November 1 following such written notice.
- 4.5 **Payment of Fees.** All fees payable under Sections 4.3 and 4.4 shall be calculated by Buyer and paid to Seller as part of the payment of Seller's invoice for Gas purchased in the Month of December immediately succeeding the end of the relevant Contract Year. Buyer shall provide Seller with details of its fee calculations.
- 4.6 **Assignment of NOVA Transportation Service.** If the DCQ is reduced pursuant to Section 12.3 or if the Agreement is terminated pursuant to Sections 12.3, 12.6 or 12.8, Seller shall, if requested by Buyer: (i) immediately make available to Buyer or its nominee a quantity of NOVA delivery capacity at the interconnection of the facilities of NOVA and TCPL located at or near Empress, Alberta up to the amount of the reduction in the DCQ or up to the full DCQ in case of termination ("NOVA Delivery Capacity"); and (ii) to the extent permitted by NOVA, assign to Buyer or its agent the NOVA Delivery Capacity. To the extent the NOVA Delivery Capacity is so assigned, the assignee shall assume Seller's obligations for any delivery point capacity demand charges payable in respect thereof from and after the effective date of the assignment. If Buyer requests an assignment pursuant to this subsection but such assignment cannot be completed as a result of the failure to obtain the consent of NOVA, then Seller shall hold the NOVA Delivery Capacity as agent, on behalf of and for the benefit of Buyer.

- 4.7 **Unused Transportation Capacity.** In the event that Buyer does not nominate 95% of the DCQ from Seller under this Agreement on any Day, it shall make any resulting unutilized TCPL firm service from the Delivery Point to Niagara Falls, Ontario, up to the DCQ (less TCPL fuel gas volumes), available to Seller for an amount equal to the sum of: (i) all NOVA charges, including demand, commodity and fuel charges, payable by Buyer under this Agreement for the volumes transported by Seller using the TCPL capacity; (ii) all variable costs plus fuel on TCPL relating to volumes transported by Seller using the TCPL capacity; and (iii) \$U.S. 0.05 per MMBtu (escalated annually at 1/2 CPI) of Gas transported by Seller using the TCPL capacity. In addition, fifty percent (50%) of any quantities transported on TCPL while Seller makes use of the TCPL capacity shall be deemed to have been nominated by Buyer for purposes of determining the MAQ. Seller shall have the option, but not the obligation, to use all or any portion, volumetrically or geographically, of the TCPL firm service on the terms described above. Buyer may make the capacity it holds on Tennessee to serve this Agreement available to Seller at Buyer's discretion.
- 4.8 **Resale Rights.** Nothing in this Agreement shall restrict Buyer from reselling any Gas purchased hereunder or from using any such Gas for purposes other than consumption by the Facility.

#### **ARTICLE 5 MEASUREMENT AND TESTING**

- 5.1 **Measurement Units.** The unit of measure of Gas for the purposes of billing shall be the MMBtu. The unit of measure of Gas for all other purposes under this Agreement shall be the cubic meter. Where required, standards of measurement shall be converted in accordance with the provisions of Section 1.4.
- 5.2 **TCPL Measurement and Testing.** The point of measurement for both the volume and the energy content of all Gas delivered hereunder shall be the Delivery Point, and all measurement and testing of Gas delivered hereunder shall be carried out by TCPL at or near the Delivery Point in accordance with the respective normal and authorized standards and procedures for carrying out such activities. The result of all such measurements so taken and all such tests so conducted shall be accepted and relied upon by the parties for all purposes of this Agreement, subject only to the right of any party to audit and verify any such measurements and tests with TCPL.
- 5.3 **NOVA Fuel Gas.** Measurement of any Gas used for fuel on NOVA to deliver Gas to the Delivery Point hereunder shall be as determined by NOVA in accordance with its tariff.

#### **ARTICLE 6 QUALITY**

- 6.1 **Quality.** Gas delivered under this Agreement shall be of pipeline quality and shall satisfy the specifications from time to time prescribed by TCPL for Gas delivered and received at the Delivery Point.

- 6.2 **Non-Specification Gas.** In the event the Gas offered for delivery by Seller hereunder shall fail at any time to conform to the quality requirements of the transporter receiving Gas at the Delivery Point, then Buyer shall notify Seller of such failure and, at Buyer's option, may refuse to purchase such Gas pending correction by Seller, in which case Seller shall be deemed to have failed to deliver such Gas to Buyer.

**ARTICLE 7  
POSSESSION, TITLE AND WARRANTIES**

- 7.1 **Transfer of Risk.** Possession of, title to and all risk associated with the Gas sold and delivered under this Agreement shall pass from Seller to Buyer at the Delivery Point.
- 7.2 **Seller's Warranty.** Seller warrants that it will have good title to and the full right and authority to deliver the Gas to Buyer under this Agreement, free and clear from all liens, encumbrances, and claims whatsoever and that it will indemnify and save Buyer harmless against and from all suits, actions, debts, damages, claims, costs, losses and expenses (including, without limitation, legal costs on a solicitor/client basis) arising from or out of any adverse claims to such Gas or to royalties, taxes, fees or charges accruing thereon or in respect thereof before possession of and title to such Gas passes from Seller to Buyer under this Agreement.

**ARTICLE 8  
PRICE**

- 8.1 **Price.** Starting on the Date of First Delivery, Buyer shall pay Seller each Month the sum of:
- (a) subject to subsection 12.3(a) and Section 14.5, a Monthly Demand Charge, converted from Canadian dollars to U.S. Dollars, for the demand charges and other related charges approved by the EUB with respect to the NOVA Capacity. This charge will be based on the "Rate Schedule FS" or substitute tariff in effect and on file with the EUB for the Month in question. Buyer shall not be responsible for any receipt point surcharge imposed by NOVA as a special charge in respect of the cost of constructing a new lateral or other facility to tie a Gas property into the NOVA system. Any retroactive adjustments resulting from a revision in the above tariff will be passed through to the appropriate party, with credits and debits being applied to the party responsible for the original charge which has been affected by the revision;
  - (b) a Monthly Commodity Charge, converted from Canadian dollars to U.S. dollars, for the commodity charges, if any, and other related EUB approved charges with respect to the NOVA capacity required to deliver to the Delivery Point any quantities purchased under this Agreement. This charge will be based on the "Rate Schedule FS" or substitute tariff in effect and on file with the EUB for the Month in question. Buyer shall not be responsible for any surcharge imposed by NOVA as a special charge in respect of the cost of constructing a new lateral or other facility to tie a Gas property into the NOVA system. Any

retroactive adjustments resulting from a revision in the above tariff will be passed through to the appropriate party, with credits and debits being applied to the party responsible for the original charge which has been affected by the revision;

- (c) the product obtained by multiplying the Gas Price for such Month by the total energy content, expressed in MMBtus, of Gas used for fuel on NOVA to transport to the Delivery Point all Gas delivered under this Agreement during such Month; and
- (d) the product obtained by multiplying the Gas Price for such Month by the total energy content, expressed in MMBtus, of all Gas delivered under this Agreement during such Month.

The above amounts shall be payable in accordance with the provisions of Article 9.

**8.2 PSA Renegotiation/Arbitration/Index Replacement.** The PSA provides that:

- (a) commencing September 1, 1998, either party thereunder shall have the right, exercisable not more than once every five (5) years, to renegotiate the Monthly Energy Charge thereunder ("Renegotiation"). The purpose of a Renegotiation shall be to modify the Monthly Energy Charge in a manner that will: (i) achieve a price of gas that, taking into account the cost of transportation to the Facility, is competitive with and comparable to the prices of long-term, firm baseload supplies delivered at the city gate to local distribution companies in Connecticut, Massachusetts and Rhode Island; and (ii) achieve a price of Gas that will allow the Facility to be dispatched as a baseload fossil fuel electric generating plant operating at a capacity factor of seventy-five percent (75%). In the event the two preceding objectives of any Renegotiation are in conflict, the second provision, relating to baseload operation at a seventy-five percent (75%) capacity factor, shall prevail. The Kilowatthour Charge component of the Monthly Energy Charge shall not be increased or decreased by more than seven and one-half percent (7.5%) at the time of any Renegotiation;
- (b) any dispute with respect to performance may be arbitrated or, subject to Section 12.6, resolved in an appropriate regulatory forum ("Arbitration" - references in this Agreement to price arbitration under the PSA shall include such regulatory resolution); and
- (c) in the event any price indices or publications cease to be established or published the parties to the PSA shall agree upon reasonable substitute indices or publications ("Index Replacement").

**8.3 PSA Procedure.** Buyer and Seller shall work together to develop a common position under any Renegotiation, Arbitration or Index Replacement. In the event of any disagreement between Buyer and Seller as to their common position, the position of Seller shall be put forward to ComElec or Cambridge (as the case may be) with respect to pricing matters affecting the renegotiation or arbitration of the Monthly Energy Charge under the PSA or the replacement of any pricing index in the PSA

while the position of Buyer shall be put forward to ComElec or Cambridge (as the case may be) with respect to any other matters.

- 8.4 **PSA Results Binding.** Provided that the parties have complied with the requirements of Section 8.3, both parties agree to be bound under this Agreement by the results of any Renegotiation, Arbitration or Index Replacement. The "BP" component of the Gas Price shall be adjusted by the same percentage that the "Kilowatthour Charge" component of the Monthly Energy Charge is adjusted under the PSA while the "BI" component of the Gas Price shall be reset in the same manner as the "N" component of the Monthly Energy Charge is reset under the PSA. Indices used in this Agreement to determine the Gas Price shall be replaced with any replacement indices to the corresponding indices under the PSA. The provisions of Schedule "A" hereto shall be amended to reflect the results of any such adjustment to the Gas Price or any such replacement index or publication. At Buyer's request, Seller shall enter into a three-party agreement with Buyer and ComElec or Cambridge (as the case may be) further coordinating any price renegotiation, arbitration or discussion on terms and conditions consistent with the foregoing.
- 8.5 **Fuel Oil Sulphur Content.** Subject to obtaining the consent of ComElec or Cambridge (as the case may be), NEP and GECC, Buyer agrees to replace fuel oil containing a 2.2% sulphur content in the Fuel Index in Schedule "A" with fuel oil containing a 1.0% sulphur content.

## ARTICLE 9 BILLING AND PAYMENT

- 9.1 **Invoice.** On or about the tenth (10th) Day of each Month, Seller shall provide Buyer with an invoice for the amounts payable by Buyer in respect of the preceding Month. Each invoice shall set forth:
- (a) the total volume and energy content of all Gas delivered under this Agreement during such preceding Month;
  - (b) the total amount payable under Section 8.1 for such Gas, together with reasonable particulars of the calculation thereof; and
  - (c) any other amounts payable by Buyer under this Agreement for such preceding Month.

In the event Seller fails to so provide an invoice to Buyer on or before the tenth (10th) Day of the Month, the date by which Buyer must deposit payment to Seller shall be extended one (1) Day for each Day Seller's invoice is late; provided, however, that



Seller may at its option provide an estimate invoice to Buyer which invoice shall contain Seller's best estimate of those items listed above. In the event of an estimate invoice, amounts payable shall be subsequently adjusted, if required, when actual amounts are available.

- 9.2 **Buyer's Payments.** Subject to Section 9.4, Buyer shall within fifteen (15) Days after receipt of any such invoice from Seller, but not earlier than the twenty fifth (25th) Day of the Month following the Month to which the invoice relates, wire transfer the amount stated to be payable in such invoice to Seller's Account. If any Day on which Buyer is obligated to wire transfer funds pursuant to this Section 9.2 is not a Business Day, Buyer shall be obligated to wire transfer such funds by the closest Business Day to such Day.
- 9.3 **Seller's Payments.** Seller shall pay to Buyer any amounts owing by Seller to Buyer hereunder within fifteen (15) Days of receipt of Buyer's invoice specifying the amount due.
- 9.4 **Dispute.** In the event a dispute arises as to the amount payable in any invoice rendered, the party disputing the amount (the "Disputing Party") shall pay the undisputed amount and notify the other party of the disputed amount and the reasons for the dispute. The Disputing Party shall not be obligated to pay any disputed amounts until the dispute is resolved in accordance with the terms of this Agreement provided that, at the request of the other party, any disputed amounts in excess of \$U.S. 10,000.00 shall be paid into an escrow account pending resolution of the dispute. Seller shall not suspend the sale and delivery of Gas as a result of Buyer's failure to pay any disputed amount provided that Buyer complies with the foregoing obligation to pay, upon request, any disputed amount in excess of \$U.S. 10,000.00 into an escrow account pending settlement of the dispute. If the parties are unable to resolve the dispute within sixty (60) Days, then the matter shall be submitted to arbitration in accordance with Article 13. The amount determined to be owing by the Disputing Party, if any, shall be paid by the Disputing Party, together with earned interest, following the final arbitration award.
- 9.5 **U.S. Dollars.** All invoices submitted by Seller pursuant to this Article 9 shall be in U.S. dollars, and shall state the rate at which any applicable Canadian dollar amounts have been converted to US dollar amounts, having regard to the provisions of Section 1.2.
- 9.6 **Default.** If either party (the "Defaulting Party") fails at any time to pay an amount payable by it under or in respect of this Agreement, the said amount shall bear interest at an annual rate equal to the Prime Rate, accruing on a daily basis from the date on which said amount first becomes payable to the date on which the said amount is paid, the said interest to be payable by the Defaulting Party without demand therefor, to be payable both before and after judgment, and to be payable irrespective of any termination of this Agreement. The Defaulting Party's obligation to pay interest pursuant to this Section 9.6 shall not be construed as limiting any other rights or remedies which the other party may have, whether under this Agreement or otherwise, as a result of the Defaulting Party's failure to pay any amount when due.

- 9.7 **Payment Security.** On or before October 26, 1995, Buyer shall post and maintain an irrevocable stand-by letter of credit ("LOC") issued by a Financial Institution in favour of Seller in the amount of \$U.S. 1.2 million. The LOC shall be available to Seller to cover any payment defaults by Buyer (excluding disputed payments provided that Buyer has, upon Seller's request, paid any disputed amounts in excess of \$U.S. 10,000.00 into an escrow account pursuant to Section 9.4) and may be drawn upon by Seller as provided in Section 12.1. If the LOC is not posted at the stipulated time, Seller shall have no obligation to commence deliveries of Gas until the LOC has been posted. If the LOC is not renewed throughout the Term at least five (5) Business Days prior to the expiry of the existing LOC, Seller shall have the right to draw down the existing LOC and hold the proceeds in place of the LOC (provided that the proceeds, plus accrued interest, shall be immediately repaid to Buyer on the renewal of the LOC) or treat such failure as a payment default, provided that Seller shall not have any right to terminate the Agreement as a result of such default. If the LOC: (i) is drawn down more than 25% by Seller to cover a payment default without being replenished by Buyer within 3 Business Days; or (ii) is drawn down 25% or less by Seller to cover a payment default without being replenished by Buyer within 15 Days, either event shall be an LOC default and Seller shall have the remedies provided in Section 12.1 hereof with the exception that Seller shall not have a right to terminate this Agreement, unless Seller is not able to cover the payment default by drawing on the LOC. Buyer shall provide Seller, on a confidential basis, Buyer's annual audited financial statements.

#### **ARTICLE 10 AUDIT RIGHTS**

- 10.1 **Audit.** Each of the parties shall keep and maintain detailed records and books of account containing accurate and complete entries in respect of all transactions and matters relative to the subject matter of this Agreement, and each of the parties shall have the right to audit such records and books of account of the other party, upon the following terms and conditions:
- (a) Audits shall be performed only upon reasonable prior notice, during normal business hours, so as to cause a minimum of inconvenience to the party whose books and records are being audited;
  - (b) Unless the party whose books and records are being audited otherwise agrees, audits shall be performed only by independent auditors who agree to maintain confidential all information of a confidential nature disclosed to them in the course of the audit, except to the extent that the disclosure of such information is reasonably required in order to effectively communicate the results of such audit to the auditing party;
  - (c) Notice of the undertaking of an audit with respect to any Month during the Term of this Agreement must be given within twenty-four (24) Months of the end of the Month to be audited (although the auditing party may review documents prepared prior to the Month to be audited if and to the extent that they relate to such Month), and the audit must be commenced with a view to

diligent pursuit within thirty (30) Days of the giving of such notice, failing which a new notice of audit must be given;

- (d) The auditing party shall provide a copy of any audit report to the party whose books and records have been audited within thirty (30) Days of the date of the auditing party's receipt of the report;
- (e) Any claims or discrepancies disclosed in any audit report shall be resolved by the parties as soon as reasonably practicable following presentation of the audit report to the party whose books have been audited;
- (f) Buyer may not be audited more than once in any Contract Year;
- (g) Seller may not be audited more than once in any Contract Year; and
- (h) The cost of any audit undertaken pursuant hereto shall be borne by the party undertaking such audit.

**10.2 Maintenance of Records.** The books and records of account required to be kept and maintained by each party in respect of the subject matter of this Agreement shall be preserved for a period of at least five (5) years.

## **ARTICLE 11 TAXES**

**11.1 Taxes.** Seller shall pay or cause to be paid all taxes, royalties and other assessments and levies imposed on Seller with respect to Gas delivered hereunder prior to or on a concurrent basis with its delivery to Buyer and Buyer shall pay or cause to be paid all taxes and assessments imposed upon Buyer with respect to Gas delivered hereunder after or on a concurrent basis with its receipt by Buyer, including any applicable Goods and Services Tax. Seller shall be responsible for any taxes associated with the TCPL capacity it uses pursuant to Section 4.7. Neither party shall be responsible or liable for any taxes or other statutory charges levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of this Agreement.

**11.2 GST.**

- (a) Buyer hereby covenants and agrees with Seller as follows:
  - (i) The Gas purchased from Seller under this Agreement, excluding TCPL fuel gas quantities, (the "Sold Gas") shall be exported from Canada as soon after the Sold Gas has been delivered to the Delivery Point as is reasonable having regard to the circumstances surrounding the exportation and to the normal business practices of Buyer;
  - (ii) Subject to the provisions of subsection 11.2(b), the Sold Gas shall not be acquired for consumption, use or supply in Canada and, after its

- delivery at the Delivery Point, the Sold Gas shall not be consumed, used or supplied in Canada;
- (iii) The Sold Gas shall not be processed, transformed or altered in Canada after its delivery at the Delivery Point except to the extent reasonably necessary or incidental to its transportation;
  - (iv) Buyer shall provide to Seller evidence of its ability to export the Sold Gas from Canada, including evidence of Canadian export authorization from the National Energy Board of Canada and evidence of U.S. import authorization from the U.S. Department of Energy, if, as and when such authorization is issued; and
  - (v) Buyer shall maintain reasonable evidence of the exportation of the Sold Gas and shall provide such evidence to Seller or to agents or employees of Revenue Canada, in Canada, upon their reasonable request.
- (b) Buyer shall have the right at any time and from time to time during the Term to resell any of the Sold Gas in Canada. If Buyer should resell any of the Sold Gas in Canada during any Month, then:
- (i) Buyer shall advise Seller of the quantities of Gas resold in Canada on or before the seventh (7th) Day of the Month following the Month in which such quantities are resold, in order that Seller can include the applicable amount of Goods and Services Tax ("GST") in Seller's invoice for the Sold Gas delivered during such Month;
  - (ii) Buyer shall pay the applicable amount of GST to Seller at the time specified in Section 9.1 for Buyer's payment of the Sold Gas;
  - (iii) Seller shall use all reasonable efforts to work with Buyer to minimize the possibility of Buyer incurring any liability for GST with respect to sales of gas in Canada, including dealing directly with Canadian purchasers of Gas from Buyer with respect to GST matters pursuant to any "drop-shipment" rules or similar provisions; and
  - (iv) Notwithstanding any other provision of this Agreement to the contrary, if any GST becomes payable as a result of a party's failure to perform all or part of its obligations hereunder, then such GST together with any applicable penalties or interest shall be payable by such party.
- (c) In the event GST or other similar taxes or levies are imposed upon Buyer in respect of its purchase of Gas from Seller, or the transportation of such Gas in Canada, or the export of such Gas from Canada then Seller shall use reasonable efforts to assist Buyer in applying for a refund of such amounts provided that Buyer shall conduct and bear the costs of any application for a refund.

**ARTICLE 12  
DEFAULT AND TERMINATION**

- 12.1 Suspension/Termination for Failure to Pay.** If Buyer fails at any time to pay any amount payable by it under or in respect of this Agreement, excluding disputed amounts (provided that Buyer, if requested, has paid any disputed amounts in excess of \$U.S. 10,000.00 into an escrow account pursuant to Section 9.4), Seller may at any time after the date on which such amount first became payable give Buyer notice of its payment delinquency, and if Buyer fails to pay such unpaid amount, together with all interest accruing thereon pursuant to Section 9.6, within fifteen (15) Days of the Day on which such delinquency notice is given, Seller may draw upon the LOC required to be maintained under Section 9.7. In the event of an LOC default Seller may, in addition to pursuing any other rights and remedies which it may have under this Agreement or otherwise with respect to such default, suspend its Gas supply obligations under this Agreement by giving written notice of such suspension to Buyer at any time after the fifteen (15) Day period, in which event, notwithstanding any provisions to the contrary contained herein, all of Seller's obligations to supply Gas under this Agreement shall be suspended until Buyer has paid the entire amount of indebtedness, or until Seller elects to lift such suspension. If payment remains outstanding for one hundred and five (105) Days after deliveries have been suspended, Seller shall have the option to terminate this Agreement on a further fifteen (15) Days notice and the Agreement will terminate on the expiry of such fifteen (15) Day notice period unless within such fifteen (15) Day notice period Buyer pays all overdue amounts in full and replenishes the LOC.
- 12.2 Notice of Delivery Shortfall.** If Seller becomes aware of any circumstance or matter by virtue of which it is or expects to be unable or unwilling to satisfy all or any part of its Gas delivery obligations under Section 4.1 for any period of time whatsoever, or if Seller at any time becomes aware of any Event of Force Majeure by virtue of which it will or expects to be claiming a suspension of all or any part of its Gas supply obligations under Section 4.1 for any period of time whatsoever, it shall forthwith provide Buyer with notice of the resultant delivery shortfall, whether occurring or impending. Such notice, which shall be in addition to the notice required under Section 14.4, shall be given in accordance with Section 19.2, and, for any interruption of 48 hours or greater, the written component of such notice shall be by way of a certificate of a senior officer of Seller containing:
- (a) a statement as to the actual or expected date of commencement and the expected duration of the delivery shortfall;
  - (b) a statement as to the actual or expected daily volume of the delivery shortfall;
  - (c) full particulars of the actual or expected cause of the delivery shortfall and of actions being and to be taken by Seller to alleviate the delivery shortfall; and
  - (d) if the delivery shortfall is due in whole or in part to the occurrence or subsistence of an Event of Force Majeure, confirmation of the factual circumstances contemplated by Article 14, including reasonable particulars of the Gas supply interfered with by the Event of Force Majeure.

In addition, for so long as such delivery shortfall persists, Seller shall provide Buyer with a Monthly report on the status of the remedial actions being taken by Seller to alleviate the delivery shortfall.

**12.3 Suspension/Termination For Failure To Deliver.** If Seller at any time defaults on its Gas delivery obligations under Section 4.1, either in whole or in part:

- (a) Seller shall bear, and Buyer shall be relieved of any responsibility for, the NOVA demand charges (calculated on a per  $10^3\text{m}^3$  basis at a 100% load factor) attributable to that portion of the DCQ Seller fails to deliver in default of its Section 4.1 Gas delivery obligations; and
- (b) If as a result of one or more such defaults, Seller meets less than ninety percent (90%) by volume of its Gas supply obligations over a four (4) Month period, Buyer may, in addition to pursuing any other rights and remedies which it may have under this Agreement or otherwise with respect to such default:
  - (i) reduce the DCQ in the same proportion that the quantity of Gas which Seller failed to deliver bears to the sum of the Daily Nominations during such four (4) Month period; or
  - (ii) terminate this Agreement;

in either case by giving written notice of such DCQ reduction or termination to Seller at any such time prior to the end of the third Month following the last Month of such four (4) Month period, and such DCQ reduction or termination shall be effective as of the end of the Month next following the Month in which such notice is given.

**12.4 Damages For Failure to Deliver.** Notwithstanding any exercise of rights under Section 12.3 If, on any Day, Seller defaults to any extent on its delivery obligations under Section 4.1, Seller shall be liable to Buyer for, and shall indemnify and save Buyer harmless against and from, all direct losses, costs, damages, claims and liabilities sustained by Buyer as a result of such default, which shall be quantified as follows:

- (a) If Buyer purchases the shortfall in delivery of Gas requested by Buyer (the "Shortfall Volumes") from other sources, or purchases alternative fuel (with a Btu equivalent to the Shortfall Volumes, after adjustment for the less efficient operation of the Facility using alternative fuel) Seller shall be liable for all costs (including without limitation, legal costs on a solicitor/client basis), charges, expenses, taxes, penalties and obligations actually incurred by Buyer in connection with the purchase and transportation of such Shortfall Volumes or alternative fuels; and
- (b) If as a result of Seller's delivery default any of the firm transportation capacity maintained by Buyer pursuant to Section 2.2 goes unutilized, Seller shall be liable to reimburse Buyer for Buyer's demand charges attributable to such unutilized capacity.

Buyer shall use reasonable efforts to mitigate costs incurred if Seller defaults on its obligation to deliver and shall purchase the most reasonable, low cost fuel alternative. Buyer shall only be indemnified to the extent that the costs in (a) and (b) above exceed the costs which Buyer would have actually incurred if Seller had not defaulted on its delivery obligations. Any amounts owing to Buyer under this Section 12.4 may be offset against any payment owing by Buyer to Seller hereunder.

- 12.5 **Default.** If either party (the "Defaulting Party") at any time defaults on any of its covenants or obligations under this Agreement, excluding obligations for which specific remedies are provided in Sections 4.3, 4.4 and 12.4, it shall be liable to the other party for and shall indemnify and save the other party harmless against and from all direct losses, costs (including without limitation, legal costs on a solicitor/client basis), damages, claims and liabilities of any nature sustained by the other party as a result of such default, as may be determined by law, provided that the Defaulting Party shall not be liable to the other party for, and shall not be obligated to indemnify and save the other party harmless against and for, any special, punitive, consequential or indirect losses, costs, damages, claims or liabilities sustained by the other party as a result of any such default.
- 12.6 **Regulatory Changes.** In the event that any regulatory authority with authority over one or both parties to this Agreement, or with authority over any transportation of Gas to be sold or purchased hereunder, or with authority over any sales or other performance pursuant to the Agreement, takes any action which has the effect of fundamentally altering and undercutting the economic position of the parties or either of them; then the party thereby injured may, by written notice to the other party, require that this Agreement or other arrangements incidental to this Agreement be amended as necessary to preserve the economic position held by the affected party immediately prior to such event. Such notice shall describe the action taken by the regulatory authority and shall include reasonable particulars as to the manner and extent to which the economic position of the party giving the notice has been adversely affected. The parties shall use their reasonable efforts during a sixty (60) Day period following such notice to negotiate and effect such amendments following which the injured party may, if such efforts are unsuccessful, by further written notice within sixty (60) Days after such sixty (60) Day period to the other party terminate this Agreement without further liability provided that in no event shall Seller or Buyer be relieved of any obligations hereunder which arise or have accrued prior to such termination.
- 12.7 **Mitigation.** Each party shall be obligated to use reasonable efforts to mitigate any losses, costs, damages, claims or liabilities sustained by it as a result of a default on a covenant or obligation of the other party.
- 12.8 **Extended Force Majeure.** If either party (the "Affected Party") at any time claims a suspension of fifty percent (50%) or more of its obligations under this Agreement as a result of one or more Events of Force Majeure, and such claimed suspension of obligations continues uninterrupted for a period of twelve (12) consecutive Months, the other party may terminate this Agreement by giving written notice to the Affected Party at any time after the end of such twelve (12) Month period and while the claimed suspension is continuing, and such termination shall be effective as of the end of the

Month next following the Month in which such notice was given regardless of whether or not the claimed suspension is then continuing.

### ARTICLE 13 ARBITRATION

- 13.1 **Notice of Arbitration.** In the event the parties are unable to agree on a replacement reference or payment amount pursuant to subsection 1.1(h), Sections 4.3 or 9.4 respectively, either Buyer or Seller (the "Initiating Party") may initiate arbitration proceedings with respect to such matter by serving written notice on the other (the "Receiving Party") of its desire so to do, such notice to name and appoint one (1) arbitrator. Upon receipt of the notice, the Receiving Party shall have a period of five (5) Business Days in which to provide the Initiating Party with a response notice naming and appointing a second arbitrator. If the Receiving Party fails so to do within said five (5) Business Day period, the arbitrator appointed by the Initiating Party shall serve as the sole arbitrator of the matter.
- 13.2 **Third Arbitrator.** If the Receiving Party names and appoints a second arbitrator within the five (5) Business Day period provided therefor, the two arbitrators thus appointed shall jointly appoint a third arbitrator within fifteen (15) Business Days of the date of appointment of the second arbitrator, and the three arbitrators shall constitute the board of arbitrators which shall determine the matter in dispute. If the two arbitrators fail to appoint a third arbitrator within the fifteen (15) Business Day period provided therefor, either the Initiating Party or the Receiving Party may apply to a court of the Commonwealth of Massachusetts for the appointment of a third arbitrator.
- 13.3 **Arbitrators' Qualifications.** Each arbitrator selected to act hereunder shall be a disinterested person, and shall be qualified by education, training, knowledge and experience to pass upon the particular matter in dispute.
- 13.4 **Position Statements.** Within five (5) Business Days of the appointment of a third arbitrator pursuant to Section 13.2 or within five (5) Business Days of the expiration of the Receiving Party's response period under Section 13.1 if the Receiving Party fails to appoint a second arbitrator within that period, the Initiating Party and the Receiving Party (the "Arbitrating Parties") shall each provide to the board of arbitrators, or the single arbitrator if applicable (in either case, the "Arbitrator") a written position statement setting forth its suggested solution to the matter in dispute, or, if it wishes, two suggested solutions, ranked as first and second alternatives. Once the Arbitrator has received both such position statements it shall provide the Initiating Party with a copy of the Receiving Party's position statement and shall provide the Receiving Party with a copy of the Initiating Party's position statement. If either of the Arbitrating Parties fails to provide a position statement within the five (5) Business Day period stipulated therefor, the arbitration proceedings shall be cancelled, and the solution suggested by the Arbitrating Party which has provided a position statement shall be conclusively deemed to have been accepted by both Arbitrating Parties, provided that if the Arbitrating Party which has provided a position statement has suggested two solutions, its first ranked alternative shall be the solution deemed to have been accepted.



- 13.5 **Hearings.** If both Arbitrating Parties provide the position statements required to be provided by them pursuant to Section 13.4 within the five (5) Business Day period stipulated therefor, the Arbitrator shall within fifteen (15) Business Days of the date on which the latter of such position statements is provided commence a hearing of the matter in dispute at a mutually agreeable location (in the event the parties cannot agree on a location, the Arbitrator shall choose a location within Canada or the continental United States) and shall provide each Arbitrating Party with a reasonable opportunity to present its position with respect to the matter in dispute. Upon having heard such presentations the Arbitrator shall be required and authorized only to select one (1) of the two (2), three (3) or four (4) suggested solutions, and in so selecting, with respect to the determination of any replacement reference pursuant to subsection 1.1(h) or Section 4.3, the Arbitrator shall select the suggested solution which it considers to most closely reflect the solution criteria contemplated by subsection 1.1(h) or Section 4.3 respectively.
- 13.6 **Date of Decision.** The decision of the Arbitrator (or the majority thereof in the case of a board of arbitrators) shall be made and communicated to the Arbitrating Parties not later than thirty (30) Days after the close of argument in the arbitration, subject to any reasonable delay due to unforeseen circumstances. Should the Arbitrator fail to make and communicate its decision to the Arbitrating Parties within ninety (90) Days after the close of argument, either Arbitrating Party may elect to initiate a new arbitration proceeding in respect of the matter in dispute, with the provisions of this Article 13 to apply, mutatis mutandis.
- 13.7 **Decision Binding.** The decision of the Arbitrator (or the majority thereof in the case of a board of arbitrators) shall be drawn up in writing and signed, and shall be final and binding on all of the parties, and the provisions of Articles 34, 35 and 36 of the "International Law" incorporated in the *International Commercial Arbitration Act* (Alberta) shall be applicable with respect thereto.
- 13.8 **Further Assurances.** Each of the Arbitrating Parties shall be bound to diligently pursue and facilitate the completion of arbitration proceedings hereunder, and the failure of either Arbitrating Party to participate in such proceedings, or to provide submissions or responses in a timely manner, shall not prevent the Arbitrator from proceeding to resolve the matter in dispute as expeditiously as reasonably practicable.
- 13.9 **Costs.** All costs of the arbitration (including the compensation and expenses of the Arbitrator, legal counsel and witnesses of both Arbitrating Parties) shall be paid by the Arbitrating Party whose suggested solution is not selected by the Arbitrator (or the majority thereof in the case of a board of arbitrators) unless the Arbitrator rules otherwise in which event the ruling of the Arbitrator shall prevail.
- 13.10 **Continued Deliveries.** The sale and delivery of Gas under this Agreement shall continue during the course of any arbitration proceedings under this Article 13.
- 13.11 **International Act Applies.** The provisions of the *International Commercial Arbitration Act* (Alberta) and the schedules thereto shall apply:

- (a) with respect to arbitration proceedings under this Agreement, to the extent that such provisions may be needed to supplement the arbitration rules established by this Article 13; and
- (b) with respect to the recognition and enforcement of any award arising out of any arbitration proceedings hereunder;

provided, however, that in the event of any conflict between any provision of this Agreement and any provisions of such Act or the schedules thereto, the provision of this Agreement shall take precedence, to the extent permitted by law.

13.12 **NGMA.** The provisions of Section 12 of the *Natural Gas Marketing Act* (Alberta) shall not apply with respect to any arbitration proceedings under this Article 13.

#### **ARTICLE 14 FORCE MAJEURE**

14.1 **Event of Force Majeure.** For purposes of this Agreement, the term "Event of Force Majeure" means, subject to Section 14.2, any event the occurrence or subsistence of which prevents any party from performing any obligation under this Agreement and which is not reasonably within the control of the party seeking to claim such event as an Event of Force Majeure, and includes without limitation:

- (a) A storm, flood, tornado, earthquake, lightning strike or other act of God;
- (b) A war, revolution, insurrection, riot, blockade or other unlawful act against public order or authority;
- (c) A strike, lockout, shortage of labour or other labour disturbance;
- (d) A fire, explosion, or other accident or act of sabotage causing breakage of or damage to the Facility, or to any pipeline, plant, machine or item of equipment;
- (e) An order, directive or restraint issued or imposed by any government authority, regulatory body or court having jurisdiction;
- (f) An inability to obtain or an interruption or curtailment of the provision of a supply of electricity, water, fuel (other than Gas) or other utilities or services or of any materials, machinery or equipment;
- (g) An inability to obtain, or a revocation or adverse amendment of, any license, permit, order, approval or authorization of any governmental authority or regulatory body having jurisdiction, provided that the party claiming the Event of Force Majeure has used all reasonable best efforts to obtain and maintain such governmental or regulatory license, permit, order, approval or authorization;

- (h) Interruption in the operation of the Facility caused by unplanned outages of equipment or by any event of a kind constituting an Event of Force Majeure; or
- (i) Subject to Section 2.2 and subsections 14.1(l) and (m), a failure of any transporter of Gas to receive, transport or deliver Gas;

but does not include:

- (j) a lack of financial resources or available funds or similar financial predicament;
- (k) damage to or production problems with any Gas well or Gas reservoir or related facilities transporting Gas to processing plants, a lack of developed and tied-in Gas reserves or insufficiency of Seller's gas supplies or deliverability to the NOVA System;
- (l) the proration of transportation service on pipelines necessary to transport all or a portion of the Gas hereunder unless all shippers with similar transportation service rights on such pipelines are subject to such proration;
- (m) any curtailment or interruption of deliveries by NOVA unless such curtailment or interruption occurs at the Empress, Alberta delivery point or affects deliveries from more than thirty percent (30%) of Seller's corporate pool;
- (n) any event which would normally constitute an Event of Force Majeure but with respect to which Seller does not supply Buyer in accordance with the curtailment priorities set forth in Section 14.7; or
- (o) any event which would normally constitute an Event of Force Majeure to the extent that Seller has available excess Gas from its corporate reserves at any alternate delivery point at which Buyer can accept deliveries of Gas.

**14.2 Exclusions.** An event the occurrence or subsistence of which is due in whole or in part to:

- (a) the financial inability of a party to pay any amount which a prudent and financially sound person in similar circumstances would reasonably be expected to pay to avoid or discontinue such event, or
- (b) a negligent act or omission, breach of contract, violation of law, violation of the terms of a regulatory approval, or similar wrongful act or omission on the part of a party,

shall not be considered to be an Event of Force Majeure for such party to the extent that its occurrence or subsistence is so due.

**14.3 Suspension of Obligations.** Subject to the provisions of Sections 14.2, 14.4 and 14.6, if either party is prevented by an Event of Force Majeure from performing any obligation under this Agreement, in whole or in part, such obligation shall, to the extent that its performance is prevented by such Event of Force Majeure, be suspended for so long as such Event of Force Majeure continues to prevent such performance, and the non-performance of such obligation to such extent during such period of suspension shall not constitute a breach or default hereunder. For greater certainty, neither party shall be obliged to purchase or sell Gas to remedy an Event of Force Majeure and an Event of Force Majeure shall be considered to prevent a party from performing its obligations to deliver or take delivery of Gas under this Agreement if:

- (a) in the case of Seller such event or occurrence prevents Seller from meeting all of its firm Gas delivery obligations out of the NOVA system at the Delivery Point without purchasing Gas from others; and
- (b) in the case of Buyer such event or occurrence prevents Buyer from: (i) taking delivery of Gas at the Delivery Point without selling Gas to others; (ii) transporting that Gas to the Facility; or (iii) consuming that Gas in the Facility.

The parties acknowledge that any event described in subsections 14.1(j), (k), (l), (m), (n) and (o) and Section 14.2 does not constitute an Event of Force Majeure and is not subject to this Section 14.3.

**14.4 Notice And Remedial Action.** A party shall be entitled to claim suspension of performance under Section 14.3 only if, and for so long as, such party shall:

- (a) immediately upon being made aware of the occurrence, or the impending occurrence, of the Event of Force Majeure giving rise to the right to rely on Section 14.3, notify the other party of such Event of Force Majeure and of the obligations expected to be affected thereby;
- (b) immediately commence, and diligently pursue, the taking of all such steps as may be reasonable in the circumstances to cause the discontinuance of, and to minimize the effect of, the Event of Force Majeure, provided that no party shall be required by the provisions of this subsection 14.4(b) to settle any strike, lockout or other labour dispute on terms which it would not otherwise be willing to agree to; and
- (c) forthwith upon the occurrence of any significant development in the process of attempting to discontinue and minimize the effect of the Event of Force Majeure, notify the other party thereof.

**14.5 NOVA Charges.** To the extent that the Facility is unavailable due to an Event of Force Majeure, Buyer shall be correspondingly relieved of its obligations to pay NOVA charges under subsection 8.1(a).

**14.6 Further Exclusions.** The provisions of this Article 14 shall not:

- (a) apply so as to suspend the performance of any obligation to make payment of any amount payable under or in respect of this Agreement; or
- (b) give rise to any extension of the Term.

**14.7 Seller's Curtailment Priorities.** In the event Seller serves notice of an Event of Force Majeure under this Article, then notwithstanding any other provision, Seller shall, each Day commencing on the Day of the Event of Force Majeure:

- (a) use reasonable efforts to deliver Gas at alternate delivery points at which Buyer has the ability to receive Gas, and Buyer will use reasonable efforts to receive Gas at such alternate delivery points;
- (b) if on that Day Seller remains unable to deliver the entire Daily Nomination, Seller shall not enter into any new firm sales and must first curtail and cease delivering Gas to all of its interruptible customers on that Day, to the extent such curtailment will assist Seller in delivering the entire quantity as nominated under this Agreement for that Day; and
- (c) if on that Day Seller still remains unable to deliver the entire Daily Nomination, then Seller must next curtail deliveries of Gas under Seller's firm sales contracts (other than firm sales contracts under which Seller has dedicated Gas reserves and the buyer has the right to nominate deliveries at a NOVA receipt point), to the extent such curtailment will assist Seller in delivering to Buyer a pro rata share of Seller's then remaining Gas supply.

## **ARTICLE 15 SUPPLY SECURITY**

**15.1 Supply Assurances.**

- (a) In the event of a supply and/or delivery failure by Seller hereunder, for any reason other than an Event of Force Majeure, Seller shall use reasonable efforts to avoid a failure to deliver and the resulting liability for damages pursuant to Section 12.4 by securing at Seller's sole cost and expense other supplies of natural gas or fuel oil to replace an amount not available due to the supply and/or delivery failure by Seller hereunder. Seller warrants Gas supply and delivery required hereunder.
- (b) If on any Day, for any reason other than an Event of Force Majeure or Seller invoking the provisions of Section 12.1, Seller fails to supply and/or to deliver the Daily Nomination, then Seller shall first use reasonable efforts to deliver Gas at alternate delivery points at which Buyer has the ability to receive Gas, and Buyer shall use reasonable efforts to receive Gas at such alternate delivery points, failing which Seller shall curtail all of Seller's interruptible Gas sales and thereafter curtail all deliveries of Gas under Seller's firm sales contracts, to the extent such curtailment will assist Seller in delivering to Buyer, at a minimum, a pro-rata share of Gas from Seller's corporate Gas pool(s).

15.2 **Seller's Reserves.**

- (a) Seller has uncontracted Western Canadian Gas reserves under its control sufficient to satisfy the quantities which it has agreed to sell and to deliver to Buyer for the Term on the terms and conditions contained herein.
- (b) Seller shall each year during the Term of this Agreement, provide to Buyer a copy of Seller's Reserves Under Control Location Listing from the EUB and a five (5) year corporate pool deliverability forecast. If such information indicates that Seller's corporate uncommitted reserves (excluding obligations to Buyer under this Agreement) are less than 100% of the remaining contract requirements or that the deliverability from Seller's corporate pool is likely to be less than its firm sales obligations at any time within the next five years (a "Deficiency"), the parties shall meet and use their reasonable efforts to cure the Deficiency.

**ARTICLE 16  
ASSIGNMENT**

- 16.1 **Assignment.** Except as otherwise provided in Sections 16.2 and 16.3 and except as otherwise expressly provided herein, neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and shall enure to the benefit of the parties and their successors and assignees, as permitted under this Article 16.
- 16.2 **Assignment for Security.** Each party shall be entitled to assign its rights and interests under and in respect of this Agreement as security for indebtedness without the prior consent of any other party, provided that any person which succeeds to the rights of the assigning party under this Agreement, by foreclosure or otherwise pursuant to such assignment, shall not be entitled to exercise any of such rights without also assuming all of such assigning party's obligations hereunder.
- 16.3 **Buyer's Assignment.** Buyer has assigned its rights and interests under this Agreement to GECC. Seller consents to such assignment and agrees that Buyer may, without seeking consent of any party, further assign its rights and interests under and in respect of this Agreement as security for indebtedness incurred in connection with the construction or operation of the Facility, provided that any person which succeeds to the rights of Buyer under this Agreement, by foreclosure or otherwise pursuant to such assignment, shall not be entitled to exercise any of such rights without also assuming all of Buyer's obligations hereunder.

**ARTICLE 17  
COMPLIANCE WITH APPLICABLE LAW**

- 17.1 **Applicable Law.** In exercising their respective rights and discharging their respective obligations under this Agreement the parties shall comply in all material respects with all mandatorily applicable present and future statutes, regulations, rules and orders of any government or governmental agency or authority having jurisdiction over this Agreement or any portion of the subject matter hereof.

**ARTICLE 18  
CONFIDENTIALITY**

- 18.1 **Confidentiality.** Subject to:

- (a) the right of a party to meet reporting obligations imposed by any government or governmental agency or authority having jurisdiction over such party;
- (b) the right of a party to provide a bona fide lender with such information as such lender may reasonably request and itself agree to maintain confidential; and
- (c) the right of Buyer to provide GECC, ComElec, Cambridge, NEP and any other purchaser of output from the Facility with such information as they may reasonably request and themselves agree to maintain confidential;

each of the parties shall safeguard and maintain confidential all information of a confidential nature from time to time disclosed to it by the other party in connection with this Agreement, provided that information which is in the public domain, and information which is obtained by a party from any source other than the other party, shall not for the purposes of this Agreement be considered to be information of a confidential nature.

**ARTICLE 19  
NOTIFICATION**

- 19.1 **Notices.** All notices, statements, invoices and other communications to be given in connection with this Agreement shall be in writing, and shall be addressed to the intended recipient thereof at the address, and to the attention of the person, specified for such party below:

**Seller:** HOME OIL COMPANY LIMITED  
1600 Home Oil Tower  
324 Eighth Avenue S.W.  
Calgary, Alberta  
T2P 2Z5

Business Issues

Attention: Manager, Natural Gas & Liquids Marketing

Telephone: (403) 232-7726

Facsimile: (403) 232-5086

Gas Control

Attention: Gas Controller

Telephone: (403) 232-5005

Facsimile: (403) 232-7390

Accounting

Attention: Senior Gas Marketing Accountant

Telephone: (403) 232-5589

Facsimile: (403) 232-5086

**Buyer:** ALTRESCO PITTSFIELD L.P.  
c/o J. Makowski Company, Inc.  
One Bowdoin Square  
Boston, MA 02114

Business Issues

Attention: Senior Vice President - Fuel Services

Telephone: (617) 227-8080

Facsimile: (617) 227-2690



Operational

Attention: Manager, Administration - Fuel Services

Telephone: (617) 227-8080

Facsimile: (617) 227-2690

Accounting

Attention: Manager, Administration - Fuel Services

Telephone: (617) 227-8080

Facsimile: (617) 227-2690

Except as otherwise provided in Section 19.2, all notices and like communications to be given in connection with this Agreement shall be sufficiently given if addressed as aforesaid and either delivered by hand or by reputable courier service to the intended recipient's address for service as set forth above; or sent by direct facsimile telecommunication to such party at its fax number as set forth above. Any notice so given shall be deemed to have been given and received on the first Business Day on which it is presented during normal business hours at the address for service of the addressee thereof, or, in the case of a direct facsimile telecommunication, on the Day on which it is transmitted if transmitted prior to or during normal business hours on a Business Day, or on the first Business Day following the Day on which it is transmitted if transmitted otherwise.

- 19.2 **Oral Notice.** In the case of notices to be given pursuant to Sections 4.2, 12.2 and 14.4, the party giving such notice shall use reasonable efforts to communicate such notice orally by telephoning the intended recipient of such notice at the telephone number therefor as set forth in Section 19.1, and shall also send such notice by direct facsimile telecommunication as soon as reasonably practicable in the circumstances. For purposes of determining periods of time which are based on the giving of any such notice, and for purposes of determining whether any such notice has been given within a period of time stipulated therefor, such notices shall be considered to have been given on the Day on which the facsimile telecommunication of such notice is deemed to have been given to the recipient pursuant to Section 19.1.
- 19.3 **Change of Address.** Either party may change its address for service, its representative for communications or its telephone or fax numbers by giving written notice of such change to the other party.

**ARTICLE 20  
MISCELLANEOUS**

- 20.1 **Entire Agreement.** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof, and, subject to Section 3.2, supersedes and replaces all previous discussions, negotiations and agreements between the parties with respect to the subject matter hereof, including, but not limited to, the Letter Agreement.
- 20.2 **Further Assurances.** Each of the parties shall from time to time and at all times hereafter, without further consideration, execute and deliver such further documents and instruments, and do and perform all such further acts and things, as may reasonably be required to more fully assure the carrying out of the provisions of this Agreement.
- 20.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta.
- 20.4 **Waiver.** No waiver by any party shall be effective unless in writing, and a waiver shall affect only the matter, and the occurrence thereof, specifically identified in the writing granting such waiver, and shall not extend to any other matter or occurrence.
- 20.5 **Litigation.** Each party shall in a timely manner provide the other parties with full particulars of all claims, litigation or other proceedings made, instituted or threatened against or involving such party which may in any material way affect the performance by such party of its obligations under this Agreement.
- 20.6 **No Partnership.** Nothing herein contained shall be read or construed as creating a partnership between the parties, or as imposing upon either party any partnership duty, obligation or liability of any kind.
- 20.7 **Counterpart Execution.** This Agreement may be executed in separate counterparts, and all of the executed counterparts shall together constitute one instrument and have the same force and effect as if each of the parties executing such counterparts had executed the same instrument.

IN WITNESS WHEREOF the parties have executed and delivered this Agreement effective as of the date first above written.

HOME OIL COMPANY LIMITED

ALTRESCO PITTSFIELD, L.P.,  
by its General Partner, ALTRESCO INC.

AKTG *MVC*  
IN *JS.*  
AW *AM*

Per: *[Signature]*  
Vice President, Marketing & Pipelines

Per: *[Signature]* *JS*

Per: *[Signature]*  
ASSISTANT SECRETARY

Per: *[Signature]* *MP*

**SCHEDULE "A" TO A NATURAL GAS PURCHASE AND SALE AGREEMENT DATED AUGUST 23, 1995 BETWEEN ALTRESCO PITTSFIELD, L.P. AND HOME OIL COMPANY LIMITED.**

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"Gas Price" means, for any Month, a price per MMBtu of Gas determined by multiplying:

$$BP \times (FI/BI)$$

where: BP = \$1.26 (U.S.) per MMBtu,  
FI = the Fuel Index Amount for such Month, and  
BI = \$1.81 (U.S.) per MMBtu;

provided that the Gas Price shall not at any time be less than \$1.12 (US) per MMBtu.

Point of Escalation: Into NOVA

**FUEL INDEX AMOUNT**

The Fuel Index Amount for any Month shall be the weighted average of the following reference amounts, with each such amount expressed in or converted to U.S. dollars (US\$) per MMBtu:

<u>Weighting</u>	<u>Reference Amount</u>
(a) 50% weighting	- the average for such Month of the daily quotes for #6 fuel oil (2.2% sulphur) in Platt's Oilgram Estimated New York Harbour Spot Price, low cargo quotation, assuming 6.3 MMBtu per barrel;
(b) 40% weighting	- the arithmetic average of the T2 spot price for each of the twelve (12) Months immediately preceding such Month, where the T2 spot price shall be equal to the arithmetic average of the La. & Offshore and Texas spot price indices for Tennessee Gas Pipeline Co., and the East Louisiana, West Louisiana, East Texas and South Texas indices for the Texas Eastern Transmission Corp., each as published in <i>Inside F.E.R.C.'s Gas Market Report</i> ;
(c) 10% weighting	- New England Power Company's weighted average delivered coal cost for such month, as reported in the most recently submitted FERC Form 423.

**SCHEDULE "B" TO A NATURAL GAS PURCHASE AND SALE AGREEMENT DATED  
AUGUST 23, 1995 BETWEEN ALTRESCO PITTSFIELD, L.P. AND HOME OIL COMPANY  
LIMITED.**

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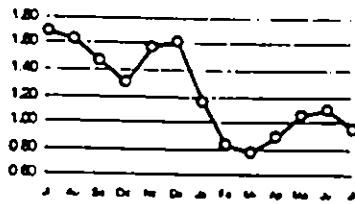
**SAMPLE INDICES**

Samples of the following indices used in the Agreement are attached:

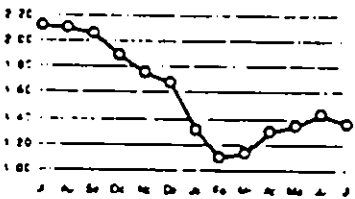
1. **CGPR (Section 4.3)**
  - monthly average of AECO/NIT daily spot price
  
2. **CPI (Sections 4.4 and 4.7)**
  - all urban consumers, all items, Boston-Lawrence-Salem, MA-NH
  
3. **Platt's Oilgram (Schedule "A")**
  - estimated New York Harbour spot price, low cargo quotation
  
4. **Inside F.E.R.C.'s Gas Market Report (Schedule "A")**
  - Tennessee Gas Pipeline Co.: La. & Offshore spot price index
  - Tennessee Gas Pipeline Co.: Texas spot price index
  - Texas Eastern Transmission Corp.: East Louisiana spot price index
  - Texas Eastern Transmission Corp.: West Louisiana spot price index
  - Texas Eastern Transmission Corp.: East Texas spot price index
  - Texas Eastern Transmission Corp.: South Texas spot price index
  
5. **FERC Form 423 (Schedule "A")**
  - New England Power Company weighted average delivered coal cost

# Canadian domestic gas price report

Current Month	Last Month	Last Year
0.86	1.10	1.69



Current Month	Last Month	Last Year
1.37	1.44	2.13



Current Month	Last Month	Last Year
-1.37	1.44	2.15



## ALBERTA MARKET COMMENTARY

Things basically went from bad to worse in the Alberta market, as a collapsing NYMEX and cash market hammered prices in the province. Spot prices were barely holding over a buck during the third week of June, as overly-healthy storage injections and weak weather fundamentals continued to be a problem for the market. Prices managed to steady somewhat as month-end neared and producer shut-ins were announced, but the market remained under the \$1.10 range for much of June

continued on p. 9

Month: June 1995	Volume (MMcf)	Number of Transactions	Price (\$/GJ)			Avg. Price US\$/MMBtu
			Low	High	Avg.*	
1	1503.0	169	1.22	1.26	1.2367	0.9501
2	789.0	128	1.22	1.24	1.2231	0.9375
Wkend	1422.7	141	1.21	1.25	1.2240	0.9382
3	89.8	15	1.22	1.23	1.2212	0.9360
4	131.9	18	1.20	1.22	1.2130	0.9298
5	989.9	110	1.21	1.23	1.2181	0.9336
6	994.6	131	1.21	1.25	1.2365	0.9445
7	1209.0	142	1.22	1.25	1.2295	0.9394
8	989.9	133	1.23	1.25	1.2392	0.9514
9	480.1	87	1.18	1.24	1.2166	0.9320
Wkend	959.2	116	1.18	1.24	1.2124	0.9287
10	68.0	11	1.16	1.22	1.1759	0.9008
11	44.4	6	1.13	1.17	1.1502	0.8811
12	938.8	103	1.11	1.22	1.1607	0.8875
13	1151.0	139	1.14	1.19	1.1495	0.8760
14	1003.0	124	1.14	1.16	1.1504	0.8784
15	851.4	111	1.09	1.16	1.1039	0.8428
16	1064.1	126	1.03	1.12	1.0475	0.7992
Wkend	1100.3	112	1.02	1.09	1.0414	0.7946
17	150.3	16	1.01	1.06	1.0280	0.7844
18	255.4	27	1.03	1.09	1.0688	0.8155
19	994.3	116	1.03	1.06	1.0441	0.7973
20	953.1	126	1.04	1.10	1.0533	0.8052
21	931.9	114	1.03	1.08	1.0530	0.8064
22	1124.5	131	1.00	1.04	1.0241	0.7850
23	761.2	88	0.91	1.04	0.9340	0.7169
Wkend	1189.9	109	0.91	1.00	0.9359	0.7184
24	111.8	9	0.91	1.00	0.9617	0.7381
25	58.0	4	0.94	1.02	0.9641	0.7400
26	1186.7	139	1.02	1.09	1.0611	0.8156
27	1194.4	132	1.02	1.07	1.0393	0.7971
28	1194.0	133	1.00	1.05	1.0059	0.7715
29	1233.2	143	0.95	1.04	1.0214	0.7828
30	1038.2	115	0.91	1.02	0.9792	0.7519
Tot./Wtd. Avg.**	28157.0	3324.0	0.91	1.26	1.1080	0.8484
Arithmetic Avg.**					1.1066	0.8473
Tot./Wtd. Avg.*	23484.9	2846.0	0.91	1.26	1.1085	0.8524
Arithmetic Avg.*					1.1070	0.8476

\* Weighted average price \*\* Includes weekends ^ Excludes weekends

Source: Canadian Enerdata survey. Exchange rate from Bank of Canada (noon day rate)

Daily Empress and AECO/NT Spot Prices, June 1-30, 1995 (C\$/GJ)



Table 16. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, by expenditure category and commodity and service group

(1982=84 = 100, unless otherwise noted)

Group	Monthly cities and pricing schedule 1											
	U.S. city average			Baltimore, MD			Boston-Lawrence-Salem, MA-NH			Chicago-Gary-Lake County, IL-IN-WI		
	Index	Percent change from—		Index	Percent change from—		Index	Percent change from—		Index	Percent change from—	
	Mar. 1995	Mar. 1994	Jan. 1995	Mar. 1995	Mar. 1994	Jan. 1995	Mar. 1995	Mar. 1994	Jan. 1995	Mar. 1995	Mar. 1994	Jan. 1995
<b>Expenditure category</b>												
All items	151.4	2.9	0.7	150.3	3.7	1.1	156.4	2.2	0.3	152.6	3.4	0.5
All items (1967=100)	453.5	-	-	449.5	-	-	460.7	-	-	455.9	-	-
Food and beverages	147.9	2.8	.0	153.2	3.2	1.1	153.1	2.5	-1.2	151.3	2.9	.7
Food	147.4	2.9	-1	154.0	3.3	1.2	152.9	2.3	-1.6	150.3	3.2	.5
Food at home	147.6	3.4	-4	152.9	4.0	.9	151.8	2.5	-2.8	156.7	3.5	.5
Cereals and bakery products	165.3	3.1	.4	187.4	4.3	1.8	173.7	7.6	.6	172.5	4.8	-6
Meats, poultry, fish, and eggs	138.4	.4	.8	139.2	5.1	4.8	136.4	-3.1	-2.5	155.8	-3	-4
Meats, poultry, and fish	139.9	.7	.9	142.6	5.7	5.1	139.4	-2.9	-2.6	159.6	-1	-2
Dairy products	132.2	.3	-4	144.7	3.0	.0	130.4	-2.8	1.1	146.4	.1	-4
Fruits and vegetables	174.0	6.9	-3.5	174.2	4.4	-6.6	197.7	7.7	-8.6	180.1	5.8	2.9
Other food at home	140.7	6.1	.3	144.4	2.6	1.3	137.2	5.9	-1.2	140.0	6.3	1.2
Food away from home	148.1	2.3	.5	155.5	1.6	1.7	156.0	2.0	.2	139.0	2.5	.6
Alcoholic beverages	153.1	1.1	.7	143.4	1.7	.2	156.3	3.8	1.9	162.8	.8	2.3
Housing	147.4	2.3	.7	139.4	1.2	1.2	153.1	3.4	.9	149.1	3.8	-1
Shelter	164.5	2.9	1.0	156.4	1.8	1.0	175.3	3.9	1.0	172.7	5.2	1.1
Renters' costs <sup>1</sup>	174.6	2.6	2.3	158.4	1.0	2.6	188.8	5.7	2.3	173.4	4.4	1.9
Rent, residential	156.7	2.3	.4	155.4	.5	.1	162.3	3.4	.4	169.4	3.9	.9
Other renters' costs	208.7	3.4	7.0	146.5	2.1	10.8	231.0	10.2	5.7	159.8	6.4	6.0
Homeowners' costs <sup>2</sup>	169.2	3.1	.5	163.0	2.1	.4	177.0	2.8	.2	178.9	5.5	.7
Owners' equivalent rent <sup>3</sup>	169.5	3.1	.5	164.0	2.1	.4	177.4	2.8	.2	177.9	5.6	.7
Fuel and other utilities	122.3	-1	-5	107.8	-2.9	.3	125.3	1.7	-1	112.3	.1	-3.9
Fuels	109.8	-1.2	-8	99.6	-4.6	.1	108.7	.3	.0	101.4	2.1	-6.9
Fuel oil and other household fuel commodities	89.0	-3.8	-4	83.6	.4	-1	84.8	-5.1	-2	90.2	-1.1	-2
Fuel oil	85.6	-4.6	-8	85.5	.4	-1	85.3	-4.7	-1	91.1	-9	.0
Other household fuel commodities <sup>4</sup>	119.3	-1.9	.1	NA	-	-	101.0	-11.7	.0	113.6	-1.5	-4
Gas (piped) and electricity (energy services)	117.1	-8	-8	113.7	-5.4	.2	135.2	2.0	.1	104.1	2.2	-7.0
Electricity	125.4	1.8	-1	123.4	-2.1	.0	133.9	2.6	.2	119.3	42.4	-2.2
Utility (piped) gas	104.7	-6.3	-2.3	92.3	-13.9	.5	103.8	1.3	.0	89.7	-24.6	-12.4
Household furnishings and operation	122.6	1.7	.7	126.6	2.1	3.2	114.4	3.0	1.9	117.1	1.8	-9
Apparel and upkeep	134.4	-1.2	3.9	140.1	4.0	5.5	142.3	-8.9	2.4	130.1	-4.7	3.8
Apparel commodities	131.3	-1.6	4.2	135.1	4.0	6.0	132.8	-10.6	2.5	130.6	-5.0	4.1
Men's and boys' apparel	127.2	1.3	2.6	129.5	1.3	12.1	124.7	-6.9	-2.6	126.7	2.6	-7
Women's and girls' apparel	131.5	-4.2	6.9	137.0	8.7	1.2	118.0	-19.3	6.8	126.3	-10.4	9.7
Footwear	125.9	-9	1.5	149.2	5.2	11.6	138.5	6.3	-3.3	141.2	-4.7	-2
Transportation	138.0	4.4	.5	138.6	7.1	.2	135.9	1.3	-9	134.6	6.1	1.1
Private transportation	135.2	5.1	.2	137.6	7.4	.0	136.4	1.6	-1.6	131.9	5.9	.4
Motor fuel	97.5	4.5	-1.2	100.0	3.7	-3.3	98.1	5.8	-1.5	97.3	4.7	-2.7
Gasoline	97.2	4.9	-1.2	97.9	4.3	-3.5	97.2	6.7	-1.5	97.1	4.9	-2.7
Gasoline, unleaded regular	94.8	5.3	-1.3	96.5	3.5	-3.5	96.0	7.7	-1.1	95.0	5.8	-3.1
Gasoline, unleaded midgrade <sup>5</sup>	101.9	4.1	-1.5	99.6	4.1	-3.1	102.4	4.4	-1.3	104.4	4.2	-2.1
Gasoline, unleaded premium	99.8	3.4	-1.7	98.7	5.9	-3.9	103.4	3.9	-1.0	98.4	2.9	-3.1
Public transportation	174.5	-2.2	3.6	151.3	3.4	3.3	132.7	-1.1	5.3	155.3	6.7	5.0
Medical care	218.4	4.8	.8	229.0	9.4	.6	262.7	5.4	1.9	221.9	5.1	.5
Entertainment	152.6	2.0	.3	157.4	3.4	-8	166.0	2.7	-2	160.0	.6	.6
Other goods and services	204.0	4.3	.5	205.3	4.1	.5	209.0	1.8	-2	214.8	4.2	.1
Personal care	146.0	2.1	.2	132.8	.2	2.6	134.6	-3	.4	149.2	4.5	1.4
<b>Commodity and service group</b>												
All items	151.4	2.9	.7	150.3	3.7	1.1	156.4	2.2	.3	152.6	3.4	.5
Commodities	135.9	2.3	.8	137.7	3.7	1.3	133.7	.6	-4	139.2	2.0	.6
Food and beverages	147.9	2.8	.0	153.2	3.2	1.1	153.1	2.5	-1.2	151.3	2.9	.7
Commodities less food and beverages	128.6	2.1	.9	129.2	4.0	1.3	121.8	-7	.2	131.2	1.3	.5
Nondurables less food and beverages	129.2	1.1	1.3	131.4	3.0	.8	124.9	-3.3	.4	133.0	-1.0	.4
Durables	127.7	3.5	.4	128.1	5.3	2.1	121.3	3.6	-2	127.4	5.3	.7
Services	167.3	3.2	.8	165.7	3.6	.9	182.1	3.2	.7	165.8	4.6	.5
Medical care services	221.8	5.4	.9	232.7	10.5	.6	270.9	5.7	2.0	220.5	5.7	.5
<b>Special indexes</b>												
All items less shelter	147.7	2.8	.6	149.4	4.3	1.2	153.8	1.4	-1	146.5	2.7	.3
All items less medical care	147.6	2.6	.7	146.5	3.2	1.1	153.4	1.9	.1	149.1	3.3	.5
All items less energy	157.8	2.9	.8	157.7	4.0	1.2	166.5	2.1	.4	159.6	3.4	.9
All items less food and energy	160.4	3.0	1.1	158.6	4.1	1.3	169.8	2.2	.7	162.0	3.4	1.1
Energy	103.2	1.3	-1.0	99.3	-9	-1.6	104.3	2.1	-5	98.9	3.3	-4.9
Commodities less food	129.5	2.0	.9	129.8	3.9	1.3	123.4	-3	.3	132.7	1.2	.6
Nondurables less food	130.5	1.1	1.2	132.1	2.9	.8	126.8	-2.6	.6	135.1	-8	.6
Nondurables	138.7	2.0	.7	141.7	3.1	.9	138.6	-3	-4	142.5	1.1	.6
Services less rent of shelter <sup>6</sup>	175.1	3.4	.6	181.4	5.2	.8	197.5	2.5	.5	166.2	3.9	.0
Services less medical care services	162.2	3.0	.8	160.3	2.8	.9	175.0	2.8	.5	161.3	4.5	.5

See footnotes at end of table

# Spot Price Assessments

An assessment of cargo and barge prices made by the Oilgram staff based on transactions and market information from sources deemed reliable and active in the marketplace. All U.S. gasoline quotes represent nonoxygenated product unless otherwise indicated.

European Bulk	Cargoes FOB Med Basis Italy	Cargoes CIF Med Basis Genoa/Lavera	Cargoes CIF NWE Basis ARA	Barges FOB Rotterdam	Cargoes FOB NWE
\$/MT	Prem 0.15 G/L -175.00-178.00	-185.00-188.00	-183.00-185.00	174.00-175.00	-173.00-175.00
	98 RON Unl -172.00-175.00	-183.00-186.00	-193.00-198.00	186.00-188.00	-184.00-187.00
	Reg Unl -172.00-175.00	-183.00-186.00	-180.00-183.00	169.50-171.00	-170.00-173.00
	MTBE -136.00-139.00	-153.00-156.00	-156.00-158.00	280.00-284.00	168.00-170.00
	Naphtha Physical -136.00-139.00	-153.00-156.00	-155.00-156.00	154.00-155.00	
	Naphtha Swaps 149.00-151.00		168.00-170.00	166.50-167.50	159.00-161.00
	Jet Kerosene -143.00-144.00	-151.00-152.00	152.50-154.00		144.00-145.50
	Gasoil EN590 -139.50-140.50	-147.50-148.50	151.50-152.50	150.50-151.00	143.00-144.00
	Gasoil 0.2 80.00-81.00	88.00-89.00	86.00-87.00	83.50-84.50	79.00-80.00
	1% Fuel Oil 69.00-71.00	77.00-79.00	80.00-82.00	+81.00-82.00+	73.00-74.00
	3.5% Fuel Oil		80.00-82.00		73.00-74.00
	E4 Feedstock		+9.00-11.00+		
	M-40 Feedstock	7.00-8.00			
	0.5%-0.7% Straight Run				-101.00-103.00
0.2 PCT Gasoil does not include -5 -15 spec. IPE Average (SEP) 151.00- IPE Average (OCT) 151.50-					

New York/Boston	Cargo	Barge
9.0 RVP	Unl 87 53.50-53.75	53.75-54.00
	Unl 87 RFG* -55.25-55.50+	-55.50-55.75-
	Unl 87 (Boston) +54.00-54.25+	
	Unl 87 (Boston RFG)* -56.00-56.25-	
	Unl 89 -55.50-55.75-	-55.75-56.00-
	Unl 89 RFG* -58.25-58.75-	-58.50-59.00-
	Super Unl 93 -58.75-59.00-	-58.75-59.00-
	Super Unl 93 RFG* -63.25-63.75-	-63.25-63.75-
	Jet Fuel -50.75-51.00-	-50.75-51.00-
	LS Jet/Kero -51.50-51.75-	-51.50-51.75-
	LS Jet/Kero(Boston) -51.75-52.00-	
	No. 2 48.00-48.25	48.00-48.25
	LS No. 2 49.25-49.50	49.25-49.50
	No. 2 (Boston) -48.75-49.00-	
	LS No. 2 (Boston) 50.50-50.75	
\$/Bbl	No. 6 0.3% HiPr -15.25-15.50-	-15.25-15.50-
	No. 6 0.3% LoPr 15.75-16.00	16.00-16.25
	No. 6 0.7% Max +14.20-14.45+	+14.20-14.45+
	No. 6 1% Max +13.80-14.05+	+13.80-14.05+
	No. 6 2.2% Max +13.00-13.25+	+13.00-13.25+
	No. 6 2.2% Max (Bata) +12.70-13.35+	
	No. 6 3.0% Max +12.35-12.60+	+12.60-12.85+
	No. 6 1.0% Pap. 1st M -13.75-14.00-	
	No. 6 1.0% Pap. 2nd M -14.00-14.25-	
	No. 6 1.0% Pap. Qtrly 14.40-14.65	

\* RFG is 8.3 RVP

U.S. Gulf Coast	Waterborne	Pipeline
9.0 RVP-Summer Supplemental		
c/Gal	Unl 87 -51.25-51.75-	-50.75-51.75-
	Unl 89 -52.75-53.25-	-52.25-53.25-
	Prem Unl 92 -54.75-55.25-	-54.25-55.25-
	Prem Unl 93 -55.50-56.00-	-55.00-56.00-
7.8 RVP		
c/Gal	Unl 87 -51.25-52.00-	-51.00-52.00-
	Unl 87 RFG* -54.50-55.25-	-54.25-55.25-
	Unl 89 -52.75-53.50-	-52.50-53.50-
	Unl 89 RFG* -56.00-56.75-	-55.75-56.75-
	Prem Unl 92 -54.75-55.50-	-54.50-55.50-
	Prem Unl 92 RFG* -58.00-58.75-	-57.75-58.75-
	Prem Unl 93 -55.50-56.25-	-55.25-56.25-
	Prem Unl 93 RFG* -58.75-59.50-	-58.50-59.50-
	MTBE -86.00-87.25-	
	Naphtha -48.50-49.00-	
	Jet/Kero 54 +48.75-49.00+	+48.75-49.00+
	Jet/Kero 55 +49.25-49.50+	+49.25-49.50+
	No. 2 46.25-46.75	46.25-46.50
	LS No. 2 48.25-48.75+	48.25-48.75+
\$/Bbl	No. 6 0.7% S 12.85-13.10	
	No. 6 1.0% S 8 API 12.60-12.85	
	No. 6 1.0% S 10.5 API 12.60-12.85	
	No. 6 3.0% S 12.10-12.60	
	No. 6 3.0% S Pap. 1st M 12.15-12.40	
	No. 6 3.0% S Pap. 2nd M 12.25-12.50	
	No. 6 3.0% S Pap. Qtrly 12.60-12.85	
8.3 RVP	Supplemental-Northern Grade Gasoline	
c/Gal	Unl 87 RFG -54.00-54.75-	-53.75-54.75-

\*RFG is 7.4 RVP

Gasoline with 7.8 RVP reflects the 24rd cycle. 9.0 RVP unleaded summer supplemental reflects the 24rd cycle. RFG assessments reflect the 24rd cycle. No. 2, L/S No. 2 and Jet assessments reflect the 24th cycles.

West Coast Waterborne	
c/Gal	Unleaded 87 -52.50-53.50-
	Jet Fuel 54.00-55.00
\$/Bbl	Gasoil +17.80-18.20+
	No. 6 0.5% S 15.25-15.75
	No. 6 1.0% S 14.25-14.75
	No. 6 1.6% S 13.50-14.00
\$/MT	180cst 86.00-96.00
	380cst 82.00-92.00

West Coast Pipeline	California	Los Angeles(a)	San Francisco(b)
c/Gal	Unl 87 -54.25-55.25-	-54.25-55.25-	
	Unl 87 RFG -59.25-60.25-		
	Prem Unl 92 -60.25-61.25-		-59.75-60.25-
	Prem Unl 92 RFG -64.00-65.00-		
	Jet Fuel -55.00-55.75-		-55.00-55.75-
	LS No. 2 -54.00-55.00-		-54.00-55.00-
	CARB Diesel -58.75-59.50-		-58.50-59.50-
\$/MT	180 cst -87.00-90.00-		
	380 cst -84.00-87.00-		

(a)=RVP is 7.4 (b)=RVP is 7.8

Northwest	Portland(a)	Seattle(a)
c/Gal	Unl 87 -56.00-57.00-	-55.00-56.00-
	Prem Unl 92 -62.00-63.00-	-61.00-62.00-
	Jet Fuel -54.00-55.00-	-54.00-55.00-
	LS No. 2 53.00-54.00	+51.50-52.50+
\$/MT	180 cst 95.00-96.00	+88.00-90.00
	380 cst 93.00-94.00	83.00-86.00-

(a)=RVP is 9.0 (b)=RVP is 9.0

## Note to readers: Superfund tax

Platt's U.S. spot market assessments for refined products include the Superfund tax. However, wholesale prices which appear in the U.S. Tank Car Truck Transport table may or may not contain Superfund. Not all of the companies surveyed for that table include Superfund in the wholesale price of refined products.



# Inside F.E.R.C.'s GAS MARKET REPORT

PRICES OF SPOT GAS DELIVERED TO PIPELINES MAY 1, 1995 (per MMBtu dry)

	Range	Index		Range	Index
ANR Pipeline Co.			Northwest Pipeline Corp.		
Louisiana	\$1.53 to \$1.68	\$1.61	Rocky Mountains	\$1.03 to \$1.09	\$1.06
Oklahoma	\$1.41 to \$1.48	\$1.45	Canadian border	\$0.96 to \$1.03	\$0.99
Offshore	\$1.59 to \$1.62	N.A.	ONG Transmission Co.		
CNG Transmission Corp.			Oklahoma	\$1.42 to \$1.50	\$1.45
Appalachia	\$1.75 to \$1.87	\$1.83	Panhandle Eastern Pipe Line Co.		
Colorado Interstate Gas Co.			Texas, Okla. (mainline)	\$1.38 to \$1.51	\$1.45
Rocky Mountains	\$1.03 to \$1.12	\$1.07	Questar Pipeline Co.		
Columbia Gas Transmission Corp.			Rocky Mountains	\$1.03 to \$1.10	\$1.07
Appalachia (W.Va., Ohio, Ky.)	\$1.70 to \$1.86	\$1.81	Southern Natural Gas Co.		
Columbia Gulf Transmission Co.			Louisiana	\$1.57 to \$1.71	\$1.64
Louisiana	\$1.60 to \$1.71	\$1.64	Tennessee Gas Pipeline Co.		
Offshore	\$1.57 to \$1.64	\$1.58	La. & Offshore (zone 1)	\$1.50 to \$1.68	\$1.60
El Paso Natural Gas Co.			Texas (zone 0)	\$1.51 to \$1.64	\$1.58
Anadarko Basin	N.A. to N.A.	N.A.	Texas Eastern Transmission Corp.		
Permian Basin	\$1.27 to \$1.38	\$1.35	East Louisiana	\$1.57 to \$1.72	\$1.65
San Juan Basin	\$1.14 to \$1.19	\$1.17	West Louisiana	\$1.58 to \$1.66	\$1.63
Florida Gas Transmission Co.			East Texas	\$1.56 to \$1.64	\$1.60
Zone 1	\$1.58 to \$1.66	\$1.60	South Texas	\$1.55 to \$1.64	\$1.58
Zone 2	\$1.64 to \$1.69	\$1.66	Texas Gas Transmission Corp.		
Zone 3	\$1.62 to \$1.72	\$1.67	Zone 1	\$1.59 to \$1.65	\$1.62
Kern River Gas Transmission Co.			Zone SL	\$1.57 to \$1.66	\$1.62
Wyoming	\$1.05 to \$1.12	\$1.07	Transcontinental Gas Pipe Line Corp.		
Koch Gateway Pipeline Co. (formerly United)			Zone 1 (pooling point)	\$1.54 to \$1.64	\$1.60
Louisiana	\$1.47 to \$1.66	\$1.57	Zone 2 (pooling point)	\$1.61 to \$1.67	\$1.64
Texas	\$1.45 to \$1.61	\$1.52	Zone 3 (pooling points)	\$1.64 to \$1.74	\$1.67
Natural Gas Pipeline Co. of America			Mississippi, Alabama	\$1.62 to \$1.70	\$1.68
Oklahoma	\$1.40 to \$1.49	\$1.44	Transwestern Pipeline Co.		
Louisiana	\$1.54 to \$1.68	\$1.61	Permian Basin	\$1.31 to \$1.38	\$1.35
Texas (Gulf Coast Line)	\$1.56 to \$1.63	\$1.59	Thoreau	\$1.16 to \$1.35	\$1.20
NorAm Gas Transmission Co. (formerly Arkla)			Trunkline Gas Co.		
East	\$1.53 to \$1.62	\$1.57	Field zone (Texas, La.)	\$1.54 to \$1.68	\$1.61
West	\$1.42 to \$1.48	\$1.46	Valero Transmission L.P.		
Northern Natural Gas Co.			Texas	\$1.35 to \$1.63	\$1.50
Texas, Oklahoma, Kansas	\$1.32 to \$1.45	\$1.37	Williams Natural Gas Co.		
Demarcation	\$1.39 to \$1.45	\$1.41	Texas, Oklahoma, Kansas	\$1.35 to \$1.44	\$1.40
Ventura, Iowa	\$1.35 to \$1.42	\$1.39			

**DELIVERED SPOT-GAS PRICE**

May 1995 (per MMBtu)

Houston Ship Channel/Beaumont, Texas	
large packages (3,500 Mcf/d and up)	\$1.58 to \$1.67
index (large packages only)	\$1.63
small packages	\$1.60 to \$1.62

Louisiana/Mississippi River Corridor	
packages of at least 2,000 Mcf/day	\$1.65 to \$1.74
index	\$1.69

**HENRY HUB CASH PRICE**

May 1, 1995  
\$1.68/MMBtu

FERC 423 - COAL  
 June 1995 - Report dated 8/11/95

	QTY REC'D		TOTAL MMBTU's	PRICE cents/MMBTU	AMOUNT PAID
	Tons	MMBTU/LB			
	40.3	12.847	1,035,468	179.67	1,860,425.71
	40.0	12.905	1,032,400	165.36	1,707,176.64
	39.9	13.102	1,045,540	195.20	2,040,893.30
	11.2	12.710	284,704	175.80	500,509.63
	28.9	12.710	734,638	175.80	1,291,493.60
	40.3	12.385	998,231	183.37	1,830,456.18
	51.3	12.067	1,238,074	142.71	1,766,855.69
Total	251.9	88.7	6,369,055.0		10,997,810.8

1.7268

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

SEP 28 1995

REC'D DOE/FE/OF

\_\_\_\_\_  
ALTRESKO PITTSFIELD, L.P.  
\_\_\_\_\_

FE DOCKET NO. 95-65-NG

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

DOE/FE ORDER NO. 1089

SEPTEMBER 28, 1995

## I. DESCRIPTION OF REQUEST

On August 29, 1995, Altresco Pittsfield, L.P. (Altresco Pittsfield) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)<sup>1/</sup> and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to import up to 11,757 Mcf per day of natural gas from Canada. Altresco Pittsfield is a Delaware limited partnership with its principal place of business in Boston, Massachusetts. The gas would be purchased from Home Oil Company Limited (Home Oil) pursuant to a Natural Gas Purchase and Sale Agreement (Home Oil Agreement), dated August 23, 1995, and used as fuel for Altresco Pittsfield's 160 MW, natural gas-fired, combined cycle, cogeneration facility located in Pittsfield, Massachusetts. The proposed authorization would be effective November 1, 1995,<sup>2/</sup> and extend through October 31, 2011.<sup>3/</sup>

The gas would be imported at the border of the United States and Canada near Niagara Falls, New York, through the pipeline facilities of TransCanada PipeLines Limited (TransCanada), and then by Tennessee Gas Pipeline Company to Berkshire Gas Company

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> This is the date of first delivery of natural gas under the Home Oil Agreement.

<sup>3/</sup> Since November 1, 1993, Altresco Pittsfield has been importing natural gas under its two-year blanket authorization granted by DOE/FE Opinion and Order No. 868, issued October 28, 1993 (1 FE ¶ 70,874). Altresco Pittsfield obtained additional supplies of natural gas from Vector Energy (U.S.A.) Inc. under blanket authorizations granted by DOE/FE Opinion and Order No. 699 (FE Docket No. 92-118-NG) issued October 29, 1992 (1 FE ¶ 70,810) and DOE/FE Order No. 699-A, issued June 25, 1993 (1 FE ¶ 70,861).

which will deliver the natural gas to the Pittsfield cogeneration facility. Altresco Pittsfield also requests authority to import the natural gas at any alternative border point on the United States and Canada border that has transportation facilities accessible to Altresco Pittsfield.

The gas will be delivered by Home Oil to Altresco Pittsfield at the interconnection between NOVA Gas Transmission Limited (NOVA) and TransCanada. The contract between Altresco Pittsfield and Home Oil provides that Altresco Pittsfield will pay Home Oil the monthly demand, commodity, and fuel use charges associated with transporting the gas on NOVA, and a gas price for each month for each MMBtu of delivered gas. The monthly demand charge (in U.S. dollars) consists of NOVA's demand and other related charges approved by the Alberta Energy and Utilities Board (EUB). The monthly commodity charge (in U.S. dollars) consists of NOVA commodity and related charges approved by the EUB with respect to the NOVA capacity required to deliver the Home Oil Agreement quantities. The fuel use charge consists of the gas price for each MMBtu of gas used for fuel on NOVA to deliver volumes to the delivery point, but it will not exceed one percent of the Home Oil Agreement's daily contract quantity (DCQ).

The gas price per MMBtu for each month will be equal to the base price of \$1.26/U.S. adjusted monthly based on the changes in a monthly fuel index amount over a base index amount of \$1.81/U.S. The fuel index for any month shall be comprised of 50 percent of the price of No. 6 fuel oil, 40 percent of the average

of a basket of natural gas spot price indices, and 10 percent of the delivered cost of coal to New England Power Company. The gas price at no time shall be less than \$1.12/U.S. per MMBtu.

The contract also provides for a minimum annual quantity (MAQ) which is 75 percent of the DCQ, and if Altresco Pittsfield fails to nominate the MAQ, it may elect to pay a reservation fee equal to the product of \$0.25/U.S. per MMBtu times the MAQ not nominated. Should Altresco Pittsfield elect not to pay the reservation fee, then Home Oil has the option within 60 days of the end of the contract year period to permanently reduce the DCQ equal to the volumes of the MAQ not taken divided by the number of days in the contract year.

## II. FINDING

The application filed by Altresco Pittsfield has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of NGA, as amended by section 201 of the Energy Policy Act of 1992 (P.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 Altresco

Pittsfield 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. Altresco Pittsfield, L.P. (Altresco Pittsfield) is authorized to import 11,757 Mcf per day of natural gas commencing on November 1, 1995, through October 31, 2011. This gas shall be imported consistent with the terms and conditions of Altresco Pittsfield's gas purchase and sales agreement with Home Oil Company Limited (Home Oil), dated August 23, 1995. This natural gas may be imported at the United States and Canada border near Niagara Falls, New York, or at any alternative border point which has facilities accessible to Altresco Pittsfield.

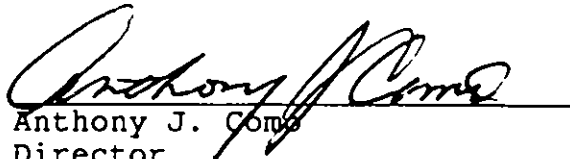
B. Within two weeks after deliveries begin, Altresco Pittsfield shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import delivery of natural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

C. With respect to the natural gas imports authorized by this Order, Altresco Pittsfield shall file with OFP, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and price of natural gas imported pursuant to this order. If no imports have been made, a report

of "no activity" for that calendar quarter must be filed. If imports have occurred, Altresco Pittsfield must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border, and paid to Home Oil. Whenever imports occur at an entry point other than Niagara Falls, these volumes and prices must be reported separately. The monthly price information shall itemize separately the demand and commodity charges, fuel charges, and, if applicable, reservation fees.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1996, and should cover the period of November 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C. on September 28, 1995.

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



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UNITED STATES OF AMERICA

[6450-01-P]

DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

[FE DOCKET NO 95-65-NG]

ALTRESKO PITTSFIELD, L.P.

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


AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of Order.

SUMMARY: The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Altresco Pittsfield, L.P. authorization to import up to 11,757 Mcf of natural gas per day from Canada beginning November 1, 1995, through October 31, 2011, under terms and conditions of the gas sales agreement with Home Oil Company Limited.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., September 28, 1995.

  
Clifford P. Tomaszewski  
Director, Office of Natural Gas  
Office of Fuels Programs  
Office of Fossil Energy

under the Additional Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Korea concerning Civil Uses of Atomic Energy, as amended, and the Agreement for Cooperation between the Government of the United States of America and the Government of Canada concerning Civil Uses of Atomic Energy, as amended.

The subsequent arrangement to be carried out under the above-mentioned agreements involves approval of the following retransfer: RTD/CA(KO)-4, for the transfer of 420.4 grams of uranium containing 82.9 grams of the isotope uranium-235 (19.75 percent enrichment) from the Republic of Korea to Canada for repair work.

In accordance with Section 131 of the Atomic Energy Act of 1954, as amended, it has been determined that this subsequent arrangement will not be inimical to the common defense and security.

This subsequent arrangement will take effect no sooner than fifteen days after the date of publication of this notice.

**Edward T. Fei,**

*Deputy Director, International Policy and Analysis Division, Office of Arms Control and Nonproliferation.*

[FR Doc. 95-25693 Filed 10-16-95; 8:45 am]

BILLING CODE 6450-01-P

#### Office of Fossil Energy

[FE Docket No. 95-64-NG]

#### Altresco Pittsfield, L.P.; Order Granting Long-Term Authorization To Import Natural Gas From Canada

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

**SUMMARY:** The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Altresco Pittsfield, L.P. authorization to import up to 22,420 Mcf of natural gas per day from Canada beginning November 1, 1995, and extending for fourteen years and 10 months.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, DC, September 28, 1995.

**Clifford P. Tomaszewski,**

*Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.*

[FR Doc. 95-25695 Filed 10-16-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-65-NG]

#### Altresco Pittsfield, L.P.; Order Granting Long-Term Authorization To Import Natural Gas From Canada

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

**SUMMARY:** The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Altresco Pittsfield, L.P. authorization to import up to 11,757 Mcf of natural gas per day from Canada beginning November 1, 1995, through October 31, 2011, under terms and conditions of the gas sales agreement with Home Oil Company Limited.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, DC, September 28, 1995.

**Clifford P. Tomaszewski,**

*Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.*

[FR Doc. 95-25696 Filed 10-16-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-73-NG]

#### Bay State Gas Company; Order Granting Blanket Authorization To Import Natural Gas From Canada

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

**SUMMARY:** The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Bay State Gas Company authorization to import up to 40 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after October 31, 1995.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and

4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, DC, September 26, 1995.

**Clifford P. Tomaszewski,**

*Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.*

[FR Doc. 95-25698 Filed 10-16-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-74-NG]

#### Northern Utilities, Inc.; Order Granting Blanket Authorization To Import Natural Gas From Canada

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

**SUMMARY:** The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Northern Utilities, Inc. authorization to import up to 15 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after October 31, 1995.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, DC, September 26, 1995.

**Clifford P. Tomaszewski,**

*Director, Office of Natural Gas, Office of Fuels Programs, Office of Fossil Energy.*

[FR Doc. 95-25699 Filed 10-16-95; 8:45 am]

BILLING CODE 6450-01-P

[FE Docket No. 95-68-NG]

#### Paramount Resources U.S. Inc.; Order Granting Blanket Authorization To Import Natural Gas From Canada

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of order.

**SUMMARY:** The Office of Fossil Energy of the Department of Energy gives notice that it has issued an order granting Paramount Resources U.S. Inc. authorization to import up to 300 Bcf of natural gas from Canada. The import authorization is for a period of two years beginning on the date of the initial delivery after October 31, 1995.

This order is available for inspection and copying in the Office of Fuels Programs Docket Room, 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, (202) 586-9478. The docket room is

DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP

2101 L Street NW • Washington, DC 20037-1526  
Tel (202) 785-9700 • Fax (202) 887-0689

August 7, 1996

BY MESSENGER

Mr. Clifford Tomaszewski  
Director, Office of Natural Gas  
Office of Fuels Programs  
Office of Fossil Energy  
U.S. Department of Energy  
Forrestal Building Room 3F-056, FE-50  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

REC'D DOE/FE

1996 AUG -8 A 11:16

Re: Altresco Pittsfield, L.P.,  
FE Docket Nos. 95-64-NG, 95-65-NG and 95-85-NG

Dear Mr. Tomaszewski:

On September 28, 1995, the Office of Fossil Energy ("OFE") issued two long-term import authorizations to Altresco Pittsfield, L.P. ("Altresco"). First, in FE Docket No. 95-64-NG, OFE issued Order No. 1088 authorizing Altresco to import from Canada up to 22,420 Mcf of gas purchased from Talisman Energy Inc. per day for a fifteen year term beginning November 1, 1995. Second, in FE Docket No. 95-65-NG, OFE issued Order No. 1089 authorizing Altresco to import from Canada up to 11,757 Mcf of gas purchased from Home Oil Company Limited per day for a fifteen year term beginning November 1, 1995. Later, on October 24, 1995, OFE issued in FE Docket No. 95-85-NG DOE/FE Order No. 1100 granting Altresco blanket authority to import from Canada up to 25.5 Bcf of natural gas, and to export to Canada up to 25.5 Bcf of natural gas, over a two-year term beginning on the date of first delivery (a first delivery has not yet been made). Orders Nos. 1088, 1089 and 1100 are referred to collectively herein as the "Orders."

Pursuant to the Department of Energy Regulations, 10 C.F.R. § 590.407, Altresco hereby notifies OFE that it has amended its Certificate of Incorporation to change the name of the limited partnership to "Pittsfield Generating Company, L.P." Altresco hereby requests that OFE amend the authorizations under each of the Orders to reflect the name change.

598 Madison Avenue • New York, New York 10022-1614

Tel (212) 832-1900 • Fax (212) 832-0341

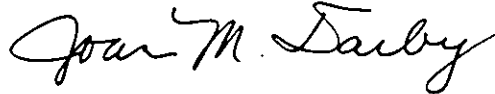
<http://www.dsmo.com>

Mr. Clifford Tomaszewski  
August 7, 1996  
Page 2

I am enclosing (1) a copy of the Certificate of Amendment to Certificate of Limited Partnership of Altresco Pittsfield, L.P. and (2) a check made out to the U.S. Treasurer in the amount of \$50.00 to cover the filing fee for the issuance of the amendments of the Orders.

If you have any questions about this matter, please contact me. Thank you for your attention.

Very truly yours,



Joan M. Darby  
Counsel to  
Pittsfield Generating  
Company, L.P., formerly  
Altresco Pittsfield, L.P.

cc: Peter E. Meier, Esq.

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ALTRESCO PITTSFIELD, L.P.", CHANGING ITS NAME FROM "ALTRESCO PITTSFIELD, L.P." TO "PITTSFIELD GENERATING COMPANY, L.P.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF JULY, A.D. 1996, AT 9:01 O'CLOCK A.M.



*Edward J. Freel*

Edward J. Freel, Secretary of State

2175497 8100  
986312768

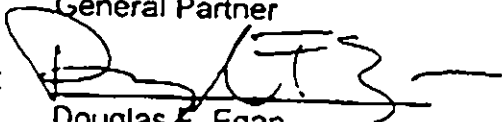
AUTHENTICATION: 8043166  
DATE: 07-26-96

CERTIFICATE OF AMENDMENT  
TO  
CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
ALTRESCO PITTSFIELD, L.P.

a limited partnership organized under the Delaware Revised Uniform Partnership Act (the "Act"), for the purpose of amending its Certificate of Limited Partnership pursuant to Section 17-202 of the Act, hereby certifies that effective on May 2, 1996, Paragraph FIRST of the Certificate of Limited Partnership is amended to read in its entirety as follows: FIRST: The name of the Partnership shall be "Pittsfield Generating Company, L.P."

IN WITNESS WHEREOF, this Certificate of Amendment has been duly executed by a general partner thereunto duly authorized and by each general partner designated herein as a new general partner as of the second day of May, 1996.

By: Altresco, Inc.  
General Partner

By:   
Douglas F. Egan  
Vice President

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

1996 OCT 28 P 1:03

\_\_\_\_\_  
Pittsfield Generating Company, L.P. )  
(Formerly )  
Altresco Pittsfield, L.P.) )  
\_\_\_\_\_

FE DOCKET NO. 95-650-NG-EE

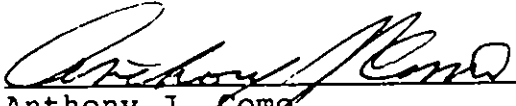
ORDER AMENDING AUTHORIZATION  
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1089-A

In DOE/FE Order No. 1089 (Order 1089), issued September 28, 1995, the Office of Fossil Energy (FE) of the Department of Energy (DOE) granted Altresco Pittsfield, L.P. (Altresco) long-term authorization to import up to 11,757 Mcf per day of natural gas from Canada (see 1 FE ¶ 71,166). The term of the authorization is for sixteen years beginning on November 1, 1995, and continuing through October 31, 2001.

On August 8, 1996, Altresco filed an application to amend Order 1089 to reflect a name change resulting from an amended Certificate of Limited Partnership, effective May 2, 1996. Accordingly, pursuant to section 3 of the Natural Gas Act, Order 1089 is amended to substitute Pittsfield Generating Company, L.P. for Altresco Pittsfield, L.P. as the importer of the natural gas.

Issued in Washington, D.C., on October 28, 1996.

  
\_\_\_\_\_  
Anthony J. Come  
Director  
Office of Coal & Electricity  
Office of Fuels Programs  
Office of Fossil Energy



95-65

One Bowdoin Square  
Boston, MA 02114

TEL: 617.227.8080  
FAX: 617.227.2690

1996 OCT 16 A 10:33

October 8, 1996

U.S. Department of Energy  
Office of Fossil Energy, Fuels Program  
1000 Independence Avenue, S.W. - Room 3H-087, FE531  
Washington, D.C. 20585

REC'D DOE/FE

**Re: Announcement of Company Name Change**

Dear U.S. Department of Energy:

We are pleased to announce that Altresco Pittsfield, L.P. has changed its name to Pittsfield Generating Company, L.P. This name change became effective May 2, 1996.

Please let this letter serve as contractual notification of our new name. Effective immediately all contractual matters, including making or receiving payments and issuing invoices will take place under the name of Pittsfield Generating Company, L.P.

All notices, correspondence and invoices should be sent to:

**Pittsfield Generating Company, L.P.  
c/o U.S. Generating Company  
Lisa M. Stalmon  
Manager, Fuel Administration Services  
One Bowdoin Square  
Boston, MA 02114**

This name change emphasizes our commitment to serving you as a comprehensive provider of energy related services. If you have any questions concerning our name change or any other issues concerning your contracts or business between our companies, please do not hesitate to contact me or my assistant Wyatt LaCoss at (617) 227-8080.

We look forward to continuing to serve your gas needs as Pittsfield Generating Company, L.P.

Sincerely,

A handwritten signature in black ink that reads "Lisa M. Stalmon".

Lisa M. Stalmon  
Manager, Fuel Administration Services  
Northeast Region





One Bowdoin Square  
Boston, MA 02114

TEL: 617.227.8080  
FAX: 617.227.2690

1995 NOV -5 P 3:59

REC'D DOE/FE

Mr. John Glynn  
U.S. Department of Energy  
Office of Fossil Energy, Fuels Program  
Room 3H-087, FE531  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

**RE: Altresco Pittsfield, L.P., FE Docket No. 95-65-NG and DOE/FE Opinion and Order No. 1089 (Long-Term Import License)**

Dear Mr. Glynn:

Altresco Pittsfield, L.P. ("Altresco") was granted blanket authority in FE Docket No. 95-65-NG and DOE/FE Opinion No. 1089 to import natural gas from Canada for a fifteen year term beginning November 1, 1995. That order requires Altresco to file quarterly reports.

A first delivery was made under Order No. 1089 on November 1, 1995. The initial volume was approximately 10,837 Mcf/day for thirty days. Altresco expects to utilize this blanket import license periodically.

Please call me at (617) 720-7610 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Gary R. McKinnon".

Gary R. McKinnon  
Associate, Fuel Services

NAFSIWPDOCS\DOE\APLP2.1ST

November 18, 1997

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1997 OCT 29 11 00 AM

Mr. John Glynn  
U.S. Department of Energy  
Office of Fuels Programs  
Room 3H-087, FE-53  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

**RE: PITTSFIELD GENERATING COMPANY, L.P., FE Docket No. 95-65-NG, AND  
DOE/FE Opinion and Order No. 1089 (Long-Term Import License)**

Dear Mr. Glynn:

Pittsfield Generating Company, L.P. ("Pittsfield") was granted long-term import authority in FE Docket No. 95-65-NG and DOE/FE Opinion and Order No. 1089 to import from Canada for a fifteen year term beginning November 1, 1995. The order also requires Altresco to file quarterly reports.

A first delivery under Order No. 1089 was made on November 1, 1995. The enclosed quarterly report summarizes the imports by Altresco during the third quarter of 1997.

Please call me at (617) 589-9398 if you have any questions.

Sincerely,



Richard Manganiello  
Senior Marketing Representative

enclosure