

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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INDECK-YERKES LIMITED PARTNERSHIP ) FE DOCKET NO. 95-112-NG  
\_\_\_\_\_)

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

DOE/FE ORDER NO. 1136

\_\_\_\_\_  
DECEMBER 21, 1995  
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I. DESCRIPTION OF REQUEST

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On November 14, 1995, Indeck-Yerkes Limited Partnership (Indeck-Yerkes) 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 7 Bcf of Canadian natural gas over a period of eight years from November 1, 1995, through October 31, 2003.<sup>2/</sup> Indeck-Yerkes is an Illinois limited partnership with one general partner, Indeck Energy Services of Yerkes, Inc., and has its principal place of business in Buffalo Grove, Illinois. Indeck-Yerkes intends to purchase natural gas from Talisman Energy Inc. (Talisman) under the terms and conditions of a gas purchase agreement (Agreement) dated October 31, 1995. Indeck-Yerkes will purchase the gas on a firm basis at a price subject to annual adjustments. Indeck-Yerkes will be responsible for the deficiency charge on any day in which delivery of its maximum daily quantity of gas is not taken, as specified in the agreement. This natural gas will be used primarily as fuel for Indeck-Yerkes Tonawanda cogeneration facility in New York. Indeck-Yerkes may also resell gas that is not needed at the Tonawanda facility to Niagara Mohawk Power Corporation (NiMo) or other distributors or end-users.

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

2/ Indeck-Yerkes currently is importing natural gas from Canada

to be used as fuel for its cogeneration facility under blanket authorization granted in DOE/FE Order No. 1012 dated December 15, 1994 (1FE 71,064).

Under the Agreement, Indeck-Yerkes will take delivery of the gas from TransCanada near Empress, Alberta, at the interconnection of NOVA Gas Transmission Ltd. and TransCanada Pipelines Limited (TransCanada). TransCanada will then transport the gas to the U.S./Canadian border to an interconnect with Tennessee Gas Pipeline Company (Tennessee) near Niagara Falls, New York. Tennessee will deliver the gas to the pipeline facilities of NiMo which will then delivery the gas to the cogeneration facility in Tonawanda, New York.

## II. FINDING

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The application filed by Indeck-Yerkes has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the importation of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Indeck-Yerkes to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

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Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Indeck-Yerkes Limited Partnership (Indeck-Yerkes) is authorized to import up to 7 Bcf of Canadian natural gas over a period of eight years beginning on November 1, 1995, through October 31, 2003, under the terms and conditions of the gas purchase agreement dated October 31, 1995, with Talisman Energy Inc. (Talisman). This natural gas may be imported at Niagara Falls, New York.

B. Indeck-Yerkes shall file with the Office of Fuels Programs all executed natural gas supply contracts pertaining to the natural gas to be imported within 30 days of their execution.

C. Within two weeks after deliveries begin, Indeck-Yerkes 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.

D. With respect to the natural gas imports authorized by this Order, Indeck-Yerkes shall file with OFP, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices 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, Indeck-Yerkes must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border and paid to Talisman. Whenever volumes of gas are not used as fuel for the cogeneration facility in Tonawanda, New York, 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. In addition, Indeck-Yerkes shall provide to the extent possible, a breakdown of the import volume showing the amount sold in each State and to each of its customers.

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

Issued in Washington, D.C. on December 21, 1995.

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