

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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OCEAN STATE POWER II  
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FE DOCKET NO. 97-01-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS  
FROM AND TO CANADA

DOE/FE ORDER NO. 1236

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JANUARY 17, 1996

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On January 2, 1997, as amended January 8, 1997, Ocean State Power II (OSP II) 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 and export up to a combined total of 36.5 Bcf of natural gas from and to Canada for a two-year term beginning on the date of first delivery after January 31, 1997.<sup>2/</sup> OSP II, a Rhode Island general

partnership, is the owner and operator of a combined cycle, gas-fired 250 MW electric generating facility in Burrillvill, Rhode Island. The imported gas will be purchased on an interruptible or spot basis from Canadian suppliers to supplement the applicant's generating requirements. OSP II intends to export gas in excess of its facility requirements to Canadian spot purchasers. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by OSP II has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L.

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

2/ OSP II's current authorization, granted by DOE/FE Order

No. 556 on December 10, 1991, (1 FE 70,510) expires January 31, 1997.

102-486). Under section 3(c), the import or export of natural gas from or 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. The authorization sought by OSP II to import and export natural gas from and to 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Ocean State Power II (OSP II) is authorized to import and export up to a combined total of 36.5 Bcf of natural gas from and to Canada at any point on the borders of the United States and Canada, over a two-year term beginning on the date of first import or export delivery after January 31, 1997.

B. Within two weeks after deliveries begin, OSP II shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities, 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 or export delivery of natural gas authorized in Ordering

Paragraph A above has occurred.

C. With respect to the natural gas imports and exports authorized by this Order, OSP II shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, OSP II must report the following: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U. S. transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 1997,

and should cover the period from February 1, 1997, until the end of the first calendar quarter, March 31, 1997.

Issued in Washington, D.C., on January 17, 1997.

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Wayne E. Peters  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import and Export Activities  
Office of Fossil Energy