

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

INDECK-OSWEGO LIMITED PARTNERSHIP

FE DOCKET NO. 98-61-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1410

SEPTEMBER 10, 1998

I. DESCRIPTION OF REQUEST

On August 24, 1998, Indeck-Oswego Limited Partnership (Indeck-Oswego) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),⁽¹⁾ and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import up to nine billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on the date of the first import delivery.⁽²⁾ Indeck-Oswego is a limited partnership with its principal office located in Buffalo Grove, Illinois. Indeck-Oswego requests authority to import this natural gas under short-term and spot market arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Indeck-Oswego has been evaluated to determine if the proposed import 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. 102-486). Under section 3(c), the import 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-Oswego 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Indeck-Oswego Limited Partnership (Indeck-Oswego) is authorized to import up to nine Bcf of natural gas from Canada over a two-year term beginning on the date of the first import delivery. This natural gas may be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Indeck-Oswego shall provide written notification of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Indeck-Oswego shall file, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Indeck-Oswego must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser; (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served (by state); (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The notice and reports described in Ordering Paragraphs B and C of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W. Washington, D.C. 20585

E. The first quarterly report required by Ordering Paragraph C of this Order is due not later than October 30, 1998, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 1998.

Issued in Washington, D.C., on September 10, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy

1. 1/ 15 U.S.C. § 717b.

2. 2/ This authorization would supersede the blanket authority granted to Indeck-Oswego in DOE/FE Order No. 1235 (1 FE ¶ 71,349, January 17, 1997). Order No. 1235 is being vacated by the Department in a separate order at the request of Indeck-Oswego. The new blanket authority would also replace Indeck-Oswego's long-term firm import authorization with a Canadian natural gas supplier granted in DOE/FE Opinion and Order No. 425 (1 FE ¶ 70,353, September 29, 1990), which is being vacated in a separate order by the Department at the request of Indeck-Oswego.