

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP

FE DOCKET NO. 98-75-NG

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

DOE/FE ORDER NO. 1421

OCTOBER 22, 1998

## I. DESCRIPTION OF REQUEST

On October 14, 1998, as supplemented on October 19, 1998, Rumford Power Associates Limited Partnership (RPA), filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) [\(4\)](#) and DOE Delegation Order Nos. 0204-111 and 0204-127, for blanket authorization to import from and to export to Canada up to a combined total of 34 Bcf of natural gas over a two-year period, beginning on the date of the first import or export. RPA is a limited partnership whose General Partner is a special purpose affiliate of Energy Management Inc. (EMI) named EMI/Rumford, Inc. EMI is a privately held independent energy company with its headquarters in North Dartmouth, Massachusetts. EMI is a developer and operator of gas-fired, combined cycle power plants in the New England market. Calpine Corporation (Calpine), a publicly held corporation with its headquarters in San Jose, California, has an option to invest and participate as a Co-General Partner in RPA. Calpine has indicated its intention to exercise this option and has been working with the Partnership in the development process. Calpine is a leading independent power company that has interests in 24 power generation facilities in the United States.

The imported gas will be used as fuel to operate RPA's new 265 megawatt cogeneration facility in Rumford, Maine. The project is expected to begin construction in October, 1998. Gas for testing purposes will be required in March, 2000 with commercial operation targeted for July, 2000. Electricity from the power plant will be sold in the Northeast U.S. wholesale power market either through bilateral contracts of various terms or into the spot electric market. Volumes of gas not used at the cogeneration facility will be sold to customers in Canada and the United States. The requested authorization would allow RPA to import and to export this gas under short-term and spot market transactions on its own behalf and on the behalf of others. The exported gas will either be re-imported or sold in Canada.

The primary import and export points would be Pittsburg, New Hampshire, and St. Clair, Michigan, respectively. Other points on the U.S./Canada international border may also be used to import and export the gas. The construction of new pipeline facilities would not be involved.

## II. FINDING

The application filed by RPA has been evaluated to determine if the proposed import/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. 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 RPA 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

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

A. Rumford Power Associates Limited Partnership (RPA) is authorized to import from and to export to Canada up to a combined total of 34 Bcf of natural gas over a period of two years beginning on the date of the initial delivery of either imports or exports, whichever occurs first. This natural gas may be imported and exported at any point on the U.S./Canada border.

B. Within two weeks after deliveries begin, RPA shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first import or export of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, RPA 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. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports occur, RPA 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 and export transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the U.S. transporter(s); (5) the point(s) of entry and exit; and (6) 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 notification 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 January 30, 1999, and should cover the period from the date of this Order until the end of the fourth calendar quarter, December 31, 1998.

Issued in Washington, D.C., on October 22, 1998.

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John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities Office of Fossil Energy

1. / 15 U.S.C. § 717b.