

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

TENASKA GAS CO. and TENASKA WASHINGTON PARTNERS II, L.P.

FE DOCKET NO. 93-132-NG

ORDER VACATING NATURAL GAS
IMPORT AUTHORIZATION

DOE/FE ORDER NO. 909-B

DOE/FE Order No. 909 (Order 909) (1 FE ¶ 70,921), issued January 5, 1994, in FE Docket No. 93-132-NG, as amended by DOE/FE Order No. 909-A (Order 909-A) (1 FE ¶ 70,934), issued February 25, 1994, granted Tenaska Gas Co. and Tenaska Washington Partners II, L.P. (jointly, Tenaska Partners) authorization to import from Canada up to 14,311 MMBtu of natural gas per day purchased from Husky Oil Operations Ltd. (Husky), plus such additional quantities as might be required to reimburse Northwest Pipeline Company (Northwest) for fuel used in rendering its transportation services. The term of such authorization was for a period of 20 years following the date that the electric power generation facilities proposed to be built by Tenaska Partners in Pierce County, Washington was placed into commercial operation.

The natural gas purchased from Husky was to be used as generating fuel in the gas-fired independent power production facility to be developed by Tenaska Partners. The electric output of the project was to be sold to Bonneville Power Administration (BPA) pursuant to the terms of a long-term power purchase contract.

On March 26, 1998, Tenaska Partners requested that the authorization granted in Order 909, as amended by Order 909-A, be vacated. In citing a reason for the requested vacation, Tenaska Partners states that BPA repudiated its power purchase contract in 1995 and caused it to suspend construction of the electric generation power facilities in Pierce County, Washington. The action taken by BPA is the subject of litigation between Tenaska Partners and others against BPA. As a result of such stated repudiation, the gas purchase agreement with Husky was canceled.

Accordingly, pursuant to section 3 of the Natural Gas Act, the authorization to import natural gas granted by Orders 909 and 909-A is hereby vacated.

Issued in Washington, D.C., on April 3, 1998.

John W. Glynn

Manager, Natural Gas Regulation

Office of Natural Gas & Petroleum

Import and Export Activities

Office of Fossil Energy