

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

SITHE/INDEPENDENCE POWER)
PARTNERS, LP)

FE DOCKET NO. 01-34-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1696

JUNE 28, 2001

I. DESCRIPTION OF REQUEST

On June 25, 2001, Sithe/Independence Power Partners, LP (Independence) 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 authority to import up to 60,000,000 Mcf of natural gas from Canada, beginning on July 1, 2001. Independence is a limited partnership, existing under the laws of the State of Delaware, with its principal place of business located in Oswego, New York. Independence's general partner, Sithe/Independence, Inc., is a wholly-owned subsidiary of Sithe Energies USA, which is a direct, wholly-owned subsidiary of Sithe Energies, Inc. (Sithe Energies). Sithe Energies is 49.9 percent owned by Exelon (Fossil) Holdings, Inc., which is a direct wholly-owned subsidiary of Exelon Generation Company, LLC (Exelon Generation). Exelon Generation is an indirect, wholly-owned subsidiary of Exelon Corporation. Sithe Energies is 49 percent privately owned by Exelon Corporations, 34.2 percent by Vivendi Universal, SA, 14.9 percent by Marubeni Corporation and one percent by Sithe Energy Management. Independence intends to import the gas on its own account as fuel for its 1,032 MW, natural gas fired electric generating plant located in New York. The requested authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Independence 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 Independence 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

^{1/} 15 U.S.C. § 717b.

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. Sithe/Independence Power Partners, LP (Independence) is authorized to import up to 60 Bcf (60,000,000 Mcf) of natural gas from Canada over a two-year term beginning on July 1, 2001, and extending through June 30, 2003.

B. This natural gas may be imported at any point on the international border between the United States and Canada.

C. With respect to the natural gas imports authorized by this Order, Independence will file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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, Independence must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports will also provide the details of each import 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 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. [OMB NO.: 1901-0294]

D. The reports required by Ordering Paragraph C of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

F. The first quarterly report required by Ordering Paragraph D of this Order is due not later than October 30, 2001, and should cover the period from July 1, 2001, until the end of the third calendar quarter, September 30, 2001.

Issued in Washington, D.C., on June 28, 2001.

Clifford P. Tomaszewski
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