

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

**INDECK-OSWEGO LIMITED
PARTNERSHIP**

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) **FE DOCKET NO. 02-27-NG**
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**ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA**

DOE/FE ORDER NO. 1773

May 2, 2002

I. DESCRIPTION OF REQUEST

On April 30, 2002, Indeck-Oswego Limited Partnership (Indeck-Oswego) applied to 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 a two-year, blanket authorization to import up to 18 billion cubic feet (Bcf) of natural gas from Canada, beginning May 16, 2002. Indeck-Oswego is an Illinois limited partnership with its headquarters in Buffalo Grove, Illinois. The import volumes will be used to generate electricity at a 52.6-megawatt, natural gas-fired, non-utility, power generation facility which Indeck-Oswego operates in Oswego, New York.

In an order issued May 16, 2000, Indeck-Oswego received identical broad-based, blanket authority which extended from May 16, 2000, through May 15, 2002.^{2/} Granting a new authorization will enable Alcoa to import a like quantity of natural gas from Canada for an additional two years under the same conditions. Once again, each purchase transaction will be negotiated at arms-length and structured to provide a commodity price that is competitive in the short-term and spot market for natural gas. The proposed imports involve no new construction of plant or pipeline facilities.

I. 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:

^{1/} 15 U.S.C. § 717b.

^{2/} See DOE/FE Order No. 1594 (2 FE ¶ 70,491).

A. Indeck-Oswego Limited Partnership (Indeck-Oswego) is authorized to import up to 18 Bcf of natural gas from Canada over a two-year term, beginning on May 16, 2002, and extending through May 15, 2004. This gas may enter the United States at any international border crossing point.

B. With respect to the natural gas imports authorized by this Order, Indeck-Oswego 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. 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 will also provide the following information: (1) the name of the sellers(s); (2) the estimated or actual duration of the agreement(s); (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) whether sales are being made on an interruptible or firm basis; and, if applicable (6) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB NO. : 1901-0294]

C. The first quarterly report required by Ordering Paragraph B is due not later than July 30, 2002, and should cover the period from May 16, 2002, until the end of the second calendar quarter, June 30, 2002.

D. The quarterly reports required by this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

Issued in Washington, D.C., on May 02, 2002.

Yvonne Caudillo
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