

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

GOLDENDALE ENERGY CENTER, LLC)
_____)

DOCKET NO. 05-26-NG

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

DOE/FE ORDER NO. 2087

APRIL 27, 2005

I. DESCRIPTION OF REQUEST

On April 25, 2005, Goldendale Energy Center, LLC (Goldendale) 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/} for blanket authorization to import and/or export up to a combined total of 36.5 billion cubic feet (Bcf) of natural gas from and to Canada. The applicant requests the authorization be granted for a two-year term beginning on May 1, 2005. Goldendale is a Delaware corporation with its principal place of business in San Jose, California.

II. FINDING

The application has been evaluated to determine if the proposed import and 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 and export of natural gas from and 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 Goldendale to import and/or 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 Order authorizes transactions with terms of no longer than two years.

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.04 (January 8, 2002).

ORDER

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

A. Goldendale Energy Center, LLC (Goldendale) is authorized to import and/or export up to a combined total of 36.5 billion cubic feet of natural gas from and to Canada. The term of the authority will begin on May 1, 2005, and extend through April 30, 2007.

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

C. With respect to the natural gas imports and exports authorized by this Order, Goldendale shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and/or exports of natural gas have been made.

Quarterly reports must be filed whether or not initial deliveries have begun. If imports and/or exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports of natural gas have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State).

[OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than July 30, 2005, and should cover the period from May 1, 2005, until the end of the second calendar quarter,

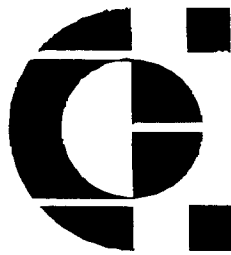
June 30, 2005.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on April 27 2005



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy



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OFFICE OF ENERGY DELIVERY
U.S. DEPARTMENT OF ENERGY

05-26-NC6

DATE: <u>April 25, 2005</u>	ATTENTION: <u>Allyson Reilly</u>
TIME: _____	COMPANY: <u>U.S. Department of Energy</u>
FAX: <u>202-586-6050</u>	LOCATION: <u>Washington DC</u>
PHONE: <u>202-586-9394</u>	SUBJECT: <u>Goldendale Application</u>
FROM: <u>Gary Eames</u>	FAX: <u>713-830-8751</u>
PHONE: <u>713-830-8845</u>	EMAIL: <u>geames@calpine.com</u>

NUMBER OF PAGES (EXCLUDING COVER SHEET): _____
PLEASE CALL (713) 830-2000 WITH ANY RECEIPT PROBLEMS.

COMMENTS:

Allyson,
Per your discussions with Mickey Jo Lawrence, I have attached the Import/Export Authorization Application for Goldendale Energy Center, LLC., and a copy of the check to be enclosed with this application. The application and check will be put in the mail today.
Please let me know if you need anything more in this regard.

Sincerely,
Gary Eames

CONFIDENTIALITY NOTICE

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UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

IN THE MATTER OF

GOLDENDALE ENERGY CENTER, LLC

FE Docket No. 05 _____

APPLICATION OF GOLDENDALE ENERGY CENTER, LLC
FOR BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA AND
TO EXPORT NATURAL GAS TO CANADA

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717b, the regulations of the Department of Energy ("DOE"), 10 C.F.R. § 590.201, *et seq.*, and DOE Delegation Order Nos. 0204-111 and 0204-127, Goldendale Energy Center, LLC ("Goldendale") hereby applies to DOE's Office of Fossil Energy ("OFE") for blanket authority to import natural gas from, and export natural gas to, Canada.

Goldendale is a wholly owned indirect subsidiary of Calpine Corporation. Goldendale now applies for a new grant of blanket authority pursuant to Section 3 of the NGA to import and export from and to Canada up to a combined total of 36.5 Bcf of natural gas during a period of two years beginning on May 1, 2005.

In support of its application, Goldendale states the following:

I.

The exact legal name of Goldendale is Goldendale Energy Center, LLC. Goldendale is a Delaware Limited Liability Corporation, the sole member of which is CalGen Expansion Company, LLC. Goldendale was formed on October 10, 2003 in the State of Delaware to acquire, develop, own, and operate electric generation facilities in the State of Washington. Its principal office is located at c/o Calpine Corporation, 50 West San Fernando St., San Jose, CA 95113.

As stated in the attached opinion of counsel, the proposed natural gas importation and exportation are within the limited liability corporate powers of Goldendale.

Communications regarding the application should be directed to:

David Webster
Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, Texas 77002
(713) 830-8739
FAX: (713) 830-8751

Inquiries may also be directed to:

Mike Rogers
Vice President, West Coast Gas Plants
4160 Dublin Blvd.
Dublin, CA 94568-3139
(925) 479-6711
FAX: (925) 479-7310

II.

Goldendale requests authority to import from, and export to, Canada up to a total of 36.5 Bcf of natural gas over a two-year period commencing on May 1, 2005.

Goldendale requests authority to import and export the gas at any point on the international border at which existing United States transportation facilities accessible to

Goldendale are located. Goldendale will make all U.S. transportation arrangements for the gas imported and exported under the requested blanket authority. No new pipeline facilities subject to federal regulation will be required for either the imports or exports and no potential environmental impact is anticipated.

Goldendale will comply with all reporting requirements deemed necessary by the Department of Energy, including filing quarterly reports.

III.

Section 3 of the Natural Gas Act provides that an import or export of natural gas must be authorized unless there is a finding that it "will not be consistent with the public interest." 15 U.S.C. § 717b(a) (1993). As amended by Section 201 of The Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2866 (1992), 15 U.S.C. § 717b(c) (1993), the importation and exportation of natural gas from and 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 any application therefor must be granted without modification or delay. 15 U.S.C. § 717b(c). This authorization, sought by Goldendale, is to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect. It therefore meets the Section 3(c) criterion, and should be approved as consistent with the public interest.

IV.

WHEREFORE, Goldendale respectfully requests blanket authorization effective May 1, 2005 to import and export up to 36.5 Bcf of natural gas from and to Canada for a two-year period.

Dated: April 25, 2005

Respectfully submitted,

By: 

David Webster

Calpine Corporation
717 Texas Avenue, Suite 1000
Houston, TX 77002
(713) 830-8739

Attorney for Goldendale Energy Center, LLC

EXHIBIT A

The import and/or export of natural gas is within the corporate powers of Goldendale Energy Center, LLC.

See attached signed opinion of counsel.

**CALPINE**

CALPINE CENTER
717 TEXAS AVENUE
SUITE 1000
HOUSTON, TEXAS 77002
713.830.2000
713.830.2001 (FAX)

April 25, 2005

Office of Fuels Programs
Fossil Energy
United States Department of Energy
FE-34
P.O. Box 44375
Washington, D.C. 20026-4375

Ladies and Gentlemen:

This opinion is furnished to you pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. § 590.202(c) and the Application of Goldendale Energy Center, LLC for Blanket Authorization to Import Natural Gas from Canada and to Export Natural Gas to Canada dated April 25, 2005 ("Application"). I am counsel to Goldendale Energy Center, LLC and as such, I am familiar with Goldendale Energy Center, LLC's limited liability corporate documents. Based upon the foregoing and for the purposes of the Application to the Office of Fossil Energy, my opinion is that the proposed imports and exports as described in the Application are within the limited liability corporate powers of Goldendale Energy Center, LLC

Very truly yours,

David Webster
Calpine Corporation
717 Texas Avenue, Suite 100
Houston, TX 77002
(713) 830-8739

Attorney for Goldendale Energy Center, LLC