

UNITED STATE OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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FE DEPARTMENT OF ENERGY

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OCEAN STATE POWER AND OCEAN STATE POWER II

ORDER VACATING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 334-A

On June 13, 1988, the Department of Energy's (DOE) former Economic Regulatory Administration (ERA)^{1/} issued DOE/ERA Opinion and Order No. 243^{2/} (Order 243) in Docket No. 86-62-NG, conditionally authorizing Ocean State Power (Ocean State) to import up to 100,000 thousand cubic feet per day of Canadian natural gas over a 20-year term. On September 14, 1988, after DOE's completion of its responsibilities under the National Environmental Policy Act, the ERA issued DOE/ERA Opinion and Order No. 243-A^{3/} (Order 243), removing the condition and granting Ocean State final import authority. To facilitate financing, Ocean State Power II (Ocean State II) was formed in April 1989 to develop one of the two proposed combined-cycle electrical generating facilities for which the gas was to be imported. On September 22, 1989, DOE issued two separate long-term import authorizations to Ocean State and

^{1/} On January 2, 1989, the authority to regulate natural gas imports and exports was transferred from ERA to the Assistant Secretary for Fossil Energy. DOE Delegation Order No. 0204-127 (54 F.R. 11436, March 20, 1989). On January 8, 2002, this authority was redelegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04.

^{2/} 1 ERA ¶ 70,778.

^{3/} 1 ERA ¶ 70, 810.

Ocean State II to reflect the new entity and import arrangement(s), DOE/FE Opinion and Order No. 334^{4/} (Order 334) and DOE/FE Opinion and Order No. 335^{5/} (Order 335) respectively.

In a letter dated April 18, 2005, DOE was notified that Ocean State and Ocean State II had entered into new, long-term gas purchase contracts. The letter requested that DOE vacate Orders 334 and 335 (vacated separately).

Accordingly, pursuant to section 3 of the Natural Gas Act, Order 334, authorizing Ocean State to import natural gas from Canada, is hereby vacated. New import authorizations reflecting the new purchase contracts are being issued simultaneously in separate dockets.

Issued in Washington, D.C., on June 24, 2005.



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

^{4/} 1 FE ¶ 70,242.

^{5/} 1 FE ¶ 70,243.

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TransCanada

In business to deliver

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April 18, 2005

Ms. Allyson Reilly
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U.S. Department of Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue SW
Washington, DC, 20585

VIA FACSIMILE 202 586 6050

Original with enclosures by courier

Dear Madam:

**Re: Ocean State Power and Ocean State Power II
DOE/FE Order Nos. 334 and 335**

Ms. Reilly, thank you so much for your voice mail messages of today's date.

In my letter dated April 18, 2005, I explained that new long term gas purchase contracts have been substituted at Ocean State Power I (OSP I) and Ocean State Power II (OSP II) as a result of an arbitration. The volumes remain the same but the terms of the contracts and the price provisions have been modified. Accordingly, I am writing to request that your offices vacate DOE/FE Order Nos. 334 and 335 and issue new import authorizations reflecting the new contract terms.

OSP I and OSP II each enclose a \$50 filing fee.

Thank you very much for all your help with this matter. Please do not hesitate to contact me at (403) 920 2171, if you have any questions about the foregoing.

Yours truly,

Angela Avery
Associate General Counsel
TransCanada PipeLines Limited

1 FE.
334 - 4070,212

335 - 4070,243

243 - 1214970,778

243-A - 1214970,810