UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SELKIRK COGEN PARTNERS, L.P.	)	FE DOCKET NO. 92-115-NG

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

DOE/FE ORDER NO. 757

DECEMBER 22, 1992

I. BACKGROUND

On September 3, 1992, Selkirk Cogen Partners, L.P. (Selkirk) 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/ requesting blanket authorization to import from and export to Canada up to a total of 57 Bcf of natural gas over a two-year period beginning on the date of first import or export delivery. The imported gas would be used as fuel for Selkirk's two cogeneration plants in Selkirk, New York. The gas which Selkirk proposes to export would be volumes previously imported which exceed the requirements of both cogeneration plants. The imports and exports would be at any point on the U.S./Canada border where there are pipeline facilities accessible to Selkirk.

Selkirk is a Delaware limited partnership comprised of subsidiaries of J. Makowski Company, Inc. and Old State Management Corp. Selkirk operates a 79.9-megawatt (MW) cogeneration plant at the site of the General Electric Company Plastics manufacturing complex. A 252-MW cogeneration plant is under construction at the same location. The proposed spot market and short-term imports would be used by Selkirk to help satisfy the plants' peak day requirements, or as a more economical substitute for supplies of Canadian gas that Selkirk has contracted to purchase under several long-term arrangements. The proposed export authorization would enable Selkirk to sell excess gas on a spot basis to Canadian purchasers.

A notice of Selkirk's application was published in the

1/ 15 U.S.C. 717b.

Federal Register on September 21, 1992, inviting protests, motions to intervene, notices of intervention and comments to be filed by October 21, 1992.2/ Niagara Mohawk Power Corporation (Niagara Mohawk) filed a motion to intervene without comment. This order grants intervention to Niagara Mohawk.

II. FINDING

The application filed by Selkirk has been evaluated to determine if the proposed import and export arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (P.L. 102-486). Under section 3(c), 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 must be granted without modification or delay. The authorization sought by Selkirk to import and 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.

ORDER

For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Selkirk Cogen Partners, L.P. (Selkirk) is authorized to import from and export to Canada, at any point on the international border, up to a total of 57 Bcf of natural gas

2/ 57 F.R. 43452.

during a period of two years beginning on the date of the first import or export, whichever is earlier.

B. Within two weeks after deliveries begin, Selkirk shall notify the Office of Fuels Programs, Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, in writing of the date that the first import and export delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Selkirk shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether sales of imported and/or exported natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Selkirk must report total monthly volumes in Mcf and the average purchase price per MMBtu at the international border. The reports shall also provide the details of each import and export transaction, including (1) the name of the seller(s); (2) the name of the purchaser(s); (3) estimated or actual duration of the agreement(s); (4) the name of U.S. transporter(s); (5) the point(s) of entry or exit; (6) the geographic market(s) served; (7) whether the 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.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1993, and should cover the period from the date of this order until the end of the current calendar quarter December 31, 1992.

E. The motion to intervene filed by Niagara Mohawk Power Corporation is hereby granted provided that its participation is limited to matters specifically set forth in its motion to intervene and not herein specifically denied, and that admission of this intervenor shall not be construed as recognition that it may be aggrieved because of any order issued in this proceeding.

Issued in Washington, D.C., on December 22, 1992.

James G. Randolph
Assistant Secretary for Fossil Energy