UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

RENAISSANCE ENERGY (U.S.) INC.)	FE DOCKET NO. 95-15-NG

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

DOE/FE ORDER NO. 1037

MARCH 30, 1995

I. DESCRIPTION OF REQUEST

On March 10, 1995, Renaissance Energy (U.S.) Inc. (Renaissance U.S.) 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, requesting authorization to import up to 2,800 Mcf per day of natural gas from Canada. Renaissance U.S., a corporation organized under the laws of the State of Delaware, with its principal place of business in Calgary, Alberta, Canada, is a wholly-owned subsidiary of Renaissance Energy Ltd. (Renaissance Ltd.) a Canadian corporation. The gas would be imported by Renaissance U.S. from Renaissance Ltd. for resale to Delmarva Power & Light Company (Delmarva). Delmarva, a Delaware and Virginia corporation, is a natural gas and electric company which purchases natural gas for distribution and resale to residential, industrial and small commercial customers.

The proposed authorization would be effective as of the date of this order, and would extend until November 1, 2004. The imported natural gas would be delivered by NOVA Gas Transmission Ltd. (NOVA) to the facilities of TransCanada PipeLines Limited (TCPL) on or near the Alberta/Saskatchewan border. TCPL would deliver the gas to the facilities of National Fuel Gas Supply Corporation (National Fuel) at Niagara Falls, which in turn would deliver the gas to the facilities of Transcontinental Gas Pipe Line Corporation (Transco) at Wharton, Pennsylvania. Renaissance

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

U.S. holds firm transportation capacity on NOVA and TCPL and Delmarva holds firm transportation capacity on National Fuel and Transco.

The gas purchase contract between Delmarva and Renaissance U.S. obligates Delmarva to purchase 80 percent of the maximum daily quantity (2,8000 Mcf/d) times the number of days in the contract year. The price each month would equal the sum of the following: (1) a commodity charge determined monthly by the Gulf Coast Spot Price, as published in Inside FERC's Gas Market Report, less $0.50 (U.S.)/MMBtu; (2) a demand charge covering the demand tolls for firm transportation on the pipeline systems of NOVA and TCPL; and (3) a pipeline fuel and commodity charge equal to the commodity charges for transportation and fuel used on the systems of NOVA and TCPL. The contract price is subject to redetermination and arbitration.

II. FINDING

The application filed by Renaissance U.S. has been evaluated to determine if the proposed import arrangement meets the public interest requirements 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 importation 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 Renaissance U.S. 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.

ORDER

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

A. Renaissance Energy (U.S.) Inc. (Renaissance U.S.) is authorized to import up to 2,800 Mcf per day of natural gas from Canada for sale to Delmarva Power & Light Company (Delmarva). Renaissance U.S. shall import this gas near Niagara Falls, Ontario, pursuant to the terms of the gas purchase contract between Renaissance U.S. and Delmarva dated June 7, 1994, filed in this proceeding.

B. The term of this import authorization shall extend from the date of this authorization through November 1, 2004.

C. Within two weeks after deliveries begin, Renaissance U.S. shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports authorized by this Order, Renaissance U.S. shall file with OFP, within 30 days following each calendar quarter, quarterly reports showing by month the total volume (in Mcf) imported and the average purchase price per MMBtu paid at the international border. The price information for a particular month shall list separately (on a per unit [MMBtu] basis) the gas commodity charge, the Canadian pipeline demand charges, and the pipeline fuel and commodity charges. If Renaissance U.S. and Delmarva implement an amendment to their gas supply contract which results in resales to markets other than Delaware, those States must be indicated in each subsequent quarterly report. Further, Renaissance U.S. must notify OFP in a timely manner of any revisions to the current list of resale customers contained in its contract with Delmarva.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than July 30, 1995, and should cover the period from the date of this authorization until the end of the second calendar quarter, June 30, 1995.

Issued in Washington, D.C., on March 30, 1995.

Anthony J. Como
Director
Office of Coal & Electricity
Office of Fuels Programs
Office of Fossil Energy