UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ENRON CAPITAL & TRADE RESOURCES CORPORATION	)	FE DOCKET NO. 95-109-NG

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

DOE/FE ORDER NO. 1135

DECEMBER 20, 1995

I. DESCRIPTION OF REQUEST

On November 7, 1995, Enron Capital & Trade Resources Corporation (ECT) 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, for authorization to import up to 15 MMcf per day of Canadian natural gas for a period of ten years commencing on November 1, 1996, and terminating on October 31, 2006. ECT, a Delaware corporation with its principal place of business in Houston, Texas, is a wholly-owned subsidiary of Enron Corporation, and the parent corporation of Enron Capital & Trade Resources Canada Corporation (ECT Canada).

ECT intends to purchase the imported natural gas from ECT Canada, for delivery at the U.S.-Canadian border near Iroquois, Ontario, pursuant to the terms of a purchase and sale agreement dated June 1, 1994, and a confirmation letter dated April 24, 1995. The agreement between ECT and ECT Canada indexes the gas commodity charge to the Inside FERC Gas Market Report to which is added a fixed charge covering transportation costs. The imported natural gas will become part of ECT's corporate supply portfolio to serve ECT's markets in the U.S. Northeast, including two long-term sales contracts with local distribution companies (Brooklyn Union Gas Company and Long Island Lighting Company) and three with cogeneration facilities (Trigen-Nassau Energy Corporation, Sithe/Independence Power Partners L.P., and TBG Cogen Partners).

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

The gas to be imported will be produced in the Province of Alberta, Canada, and transported by the NOVA Gas Transmission Ltd. (NOVA) pipeline system to Empress, Alberta, where NOVA interconnects with TransCanada PipeLines Limited (TCPL). TCPL will transport the gas to Iroquois Gas Transmission System (Iroquois). Iroquois will deliver the gas to ECT's markets or to interconnecting pipeline systems for delivery to markets. ECT indicates it may wish to bring the gas into the U.S. at other border points and, therefore, requests that the authorization not be restricted to a single import point.

II. FINDING

The application filed by ECT has been evaluated to determine if the proposed import arrangement meets the public interest requirements of section 3 of 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 ECT 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. Enron Capital & Trade Resources Corporation (ECT) is authorized to import up to 15 MMcf per day of Canadian natural gas for a period of ten years, commencing on November 1, 1996, and terminating on October 21, 2006, under the terms and conditions of the purchase and sale agreement dated June 1, 1994, and confirmation letter dated April 24, 1995, with Enron Capital & Trade Resources Canada Corporation (ECT Canada). This natural gas may be imported at Waddington, New York, or at alternative border points with transportation facilities accessible by ECT.

B. ECT shall file with the Office of Fuels Programs all executed natural gas supply contracts pertaining to the natural gas to be imported within 30 days of their execution.

C. Within two weeks after deliveries begin, ECT shall provide written notification to the Office of Fuels Programs (OFP), Fossil Energy, Room 3F-056, FE-50, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first import delivery of natural gas authorized in Ordering Paragraph A above occurred.

D. With respect to the natural gas imports authorized by this Order, ECT shall file with OFP, within 30 days following each calendar quarter, a quarterly report indicating by month the volumes and prices of natural gas imported pursuant to this order. If no imports have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, ECT must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu delivered at the international border, and paid to ECT Canada. Whenever imports have occurred at an entry point other than Waddington, New York, these volumes and prices must be reported separately. The monthly price information shall itemize separately the demand and commodity charges, fuel charges, and, if applicable, reservation fees.

E. The first quarterly report required by Ordering Paragraph D of this Order is due not later than January 30, 1997, and should cover the period from November 1, 1996, until the end of the fourth calendar quarter, December 30, 1996.

Issued in Washington, D.C. on December 20, 1995.

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