

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

ROCHESTER GAS AND ELECTRIC CORPORATION) FE DOCKET NO. 90-05-NG
)

ORDER AMENDING CONDITIONAL ORDER FOR
THE PURPOSE OF GRANTING FINAL LONG-TERM
AUTHORIZATION TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 503-A

DECEMBER 31, 1992

I. BACKGROUND

On May 16, 1991, Rochester Gas and Electric Corporation (RG&E) was conditionally authorized in DOE/FE Opinion and Order No. 503 (Order 503) to import near Grand Island, New York, up to 16,000 Mcf of Canadian natural gas per day from Unigas Corporation (Unigas). See 1 FE 70,447. The gas would be delivered to RG&E by Empire State Pipeline Company, Inc., an intrastate pipeline to be built in New York State. The import was approved for a term of 10 years, whereas RG&E had requested 15 years, because DOE policy limits authorizations to the initial expiration date of a particular contract.

RG&E is a combination gas and electric utility serving approximately 260,000 natural gas customers in and around Rochester, New York. Order 503 made preliminary findings that the gas sales contract between RG&E and Unigas, dated November 29, 1989, will provide long-term, secure supplies on market responsive terms. DOE rejected a request by CNG Transmission Corporation, which currently provides most of RG&E's system supply and all of its transportation, to dismiss the application on grounds that the gas is not needed and that the import would have an unfair competitive advantage over domestic gas. DOE noted there is a need for additional competitively priced gas in RG&E's market area now dominated by one supplier. The import authorization was conditioned upon the issuance of a final order after DOE review of environmental documentation being prepared by the Federal Energy Regulatory Commission to analyze the construction of the Empire facilities.

II. FINDING

On October 24, 1992, the Energy Policy Act of 1992 (Pub. L. No. 102-486) was enacted. Section 201 of the Act amends section 3 of the Natural Gas Act to make a statutory finding in new section 3(c) that natural gas imports from, or exports to, a nation which has in effect a free trade agreement with the United States requiring national treatment for trade in natural gas, are consistent with the public interest. The authorization sought by RG&E 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. Applications within the scope of section 3(c) must be granted.

ORDER

For the reasons set forth above, pursuant to section 3 of the Natural Gas Act, DOE/FE Opinion and Order No. 503 (Order 503), issued May 16, 1991, is hereby amended by removing the condition set forth in Ordering Paragraph B. Accordingly, RG&E is granted final authorization to import up to 16,000 Mcf of Canadian natural gas per day near Grand Island, New York. In all other respects, Order 503 shall remain in full force and effect.

Issued in Washington, D.C., on December 31, 1992.

James G. Randolph
Assistant Secretary for Fossil Energy