

to meet the 1997 in-service requirements for Maritimes & Northeast's Phase I facilities. Maritimes & Northeast requests the Commission consider its 30-inch single-pipe alternative from Dracut to Wells in a timely manner in order that it may be approved, if selected as the most desirable alternative, in time for the 1997 Phase I commencement of service.

The Commission Staff, however, cannot establish a schedule for the proposed 30-inch pipeline alternative until Maritimes & Northeast files additional certificate application exhibits. These are, in part, further Exhibit G—Flow Diagrams and Exhibit K—Cost of Facilities. Further, Maritimes & Northeast and PNGTS should file, as soon as possible, the appropriate agreements for the specific joint-use structure of a single-pipe alternative or joint-use right-of-way. Also, Maritimes & Northeast should clarify whether the route for its 30-inch alternative is along the route currently being studied for its 23-inch proposal, along the route currently being studied for the PNGTS proposal, or a combination of the two.

Any person desiring to be heard or to make any protest with reference to said application should on or before November 4, 1996, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's rules.

Take further notice that pursuant to the authority contained in and subject to the jurisdiction conferred upon the Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this Application if no petition to intervene is filed within the time required herein or if the Commission on its own review of the matter finds that a grant of the application is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission, on its own motion, believes that a formal hearing is

required, further notice of such hearing will be given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Maritimes & Northeast to appear or be represented at the hearing.

Lois D. Cashell,

Secretary.

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[Docket No. CP96-809-000]

**Maritimes & Northeast Pipeline, L.L.C.;
Notice of Application**

October 11, 1996.

Take notice that on September 23, 1996, Maritimes & Northeast Pipeline, L.L.C. (Maritimes & Northeast), c/o M&N Management Company, 1284 Soldiers Field Road, Boston, Massachusetts, 02135, filed an application in Docket No. CP96-809-000. The application seeks authority under Section 7(c) of the Natural Gas Act (NGA) to construct, install, own, operate, and maintain a large-diameter natural gas pipeline which would connect to Maritimes & Northeast's proposed Phase I facilities near Wells, Maine and extend about 230 miles to a point near Woodland, Maine. Maritimes & Northeast also proposes to construct certain natural gas compression stations and other smaller diameter natural gas pipeline laterals and spurs. Maritimes & Northeast has also filed an application in Docket No. CP96-810-000 for a Presidential Permit and authority under Section 3 of the NGA to construct and operate certain international border facilities near Woodland, Maine and St. Stephen, New Brunswick, Canada. The details of Maritimes & Northeast's proposal are more fully set forth in the application which is on file with the Commission and open to public inspection.

Specifically Maritimes & Northeast proposes to construct about 229.6 miles of 24-inch and 1.8 miles of 30-inch mainline pipeline and two new mainline compressor stations. Each of the two proposed compressor stations will have a horsepower rating of 15,580. One is proposed to be located near Richmond, Sagadahoc County, Maine and the other is near Woodland, Washington County, Maine. Maritimes & Northeast also proposes to build 154 miles of various pipeline laterals and meter stations in Maine near Cousins Island, Westbrook, Skowhegan, Bucksport, Oldtown and Millinocket, and Woodland. The total cost of these

facilities is estimated to be \$404 million.¹

Maritime & Northeast is a limited liability company, organized and existing under the laws of the state of Delaware. Maritimes & Northeast's members are M&N Management Company, a wholly-owned subsidiary of PanEnergy Corp; Westcoast Energy (U.S.) Inc., a wholly-owned subsidiary of Westcoast Energy, Inc. and Mobile Midstream Natural Gas Investment, Inc., a wholly-owned subsidiary of Mobile Oil Corporation.

Maritimes & Northeast proposes to construct the facilities in two stages; the 42.1 miles of 24-inch pipeline from Wells, Maine to a point near Cumberland Center, Maine, the Cousins Island Lateral and the Westbrook Lateral would be constructed in 1998 (these facilities would cost about \$63 million), and the remainder of the proposed facilities would be constructed in 1999 (these facilities would cost about \$341 million). Maritimes & Northeast says that the facilities will have a design delivery capacity of 440,000 MMBtu per day.

Maritimes & Northeast says that the proposed facilities constitute Phase II of the Maritimes & Northeast Pipeline Project, a natural gas transportation facility for the Sable Offshore Energy Project (Sable Island). The Sable Island project is being developed by a consortium of United States and Canadian energy companies and is scheduled to make significant offshore supply available to eastern Canada and the northeastern United States in 1999. Maritimes & Northeast Pipeline Limited Partnership, a New Brunswick, Canada limited partnership consisting of Canadian affiliates of the members of Maritimes & Northeast, has filed an application with the Canadian National Energy Board requesting regulatory authorizations necessary to construct the Canadian portion of the Phase II facilities.

Maritimes & Northeast says that the need for firm natural gas transportation capacity from Sable Island to the Maine, New Hampshire, Massachusetts and other northeastern markets is evidenced by the precedent agreements executed by the parties and included as Exhibit I to the application. Maritimes & Northeast says that these precedent

¹ As part of the 1998 and 1999 Facilities discussed above, Maritimes & Northeast proposes to construct, install, own, operate and maintain ancillary above-ground appurtenant facilities, including but not limited to, mainline crossover and blowoff piping and valving, pressure regulating devices, gas metering equipment, cathodic protection devices, and launchers, receivers and associated piping and valves for internal inspection instruments and cleaning devices.

agreements were signed as a result of an open season it held on a non-discriminatory basis from March 18, 1996 through April 17, 1996. From April 17, 1996 to June 30, 1996, Maritimes & Northeast says that it clarified the service requests and negotiated the terms and conditions of such services. In addition, Maritimes & Northeast continued to aggressively market to potential customers who did not participate in the open season with the understanding that open season participants returning executed precedent agreements by June 30, 1996, had first call on U.S. Facility capacity, and any remaining capacity would be contracted on a first-come, first-served basis. Thus, as of June 30, 1996, seventeen shippers have now executed binding Precedent Agreements for long-term firm transportation service with Maritimes & Northeast, thus fully subscribing the proposed design capacity of 440,000 MMBtu/d.

The precedent agreements were filed as privileged and confidential under Section 388.112 of the Commission's regulations. Maritimes & Northeast however announced the names of its proposed shippers and volumes assigned to each shipper. Finally, Maritimes & Northeast says that Mobil Natural Gas Inc. (Mobil), an affiliate of Mobil and one of the major Sable Island producers, has executed a twenty-year backstop Precedent Agreement for all capacity that is not subject to service agreements entered into by other parties from the date of commencement of Phase II service. This includes all capacity made available in the future because of the termination of the precedent agreements or service agreements prior to the end of the period of twenty years from the date of commencement of Phase II service. However, Maritimes & Northeast will continue to try to market any and all capacity that becomes available in spite of Mobil's backstop agreement.

Maritimes & Northeast says that the Phase II shippers will be ultimately responsible for obtaining the gas supplies to be transported through the Maritimes & Northeast facilities. Gas supplies needed for service through the 1998 Facilities will be available from the North American pipeline grid at negotiated prices. Maritimes & Northeast says that commencing November, 1999, all of the Phase II Facilities will be in service providing customers access to natural gas from Sable Island. Maritimes & Northeast also says that it has concurrently filed a request for blanket import and export authorization on behalf of its shippers and for itself for operational purposes

with the Department of Energy, Office of Fossil Energy.

Maritimes & Northeast says that the precise method of financing Phase II has not been determined, but that no financing impediments are anticipated. Maritimes & Northeast anticipates that 25% of the required capital will be furnished by the Members as equity and that 75% will consist of non-recourse or limited recourse debt, initially raised during the construction period primarily from commercial banks and/or insurance companies. Maritimes & Northeast assumes that both the construction and long-term debt will bear interest at the rate of eight percent (8.0%) and be retired over 20 years. Maritimes & Northeast also proposes that its equity investment earn at the rate of fourteen percent (14.0%).

Maritimes & Northeast says that the proposed rates are straight-fixed-variable (SFV) rates and reflect a roll-in of the Phase I costs. The rates are designed to recover the costs of the facilities proposed herein over the life of those facilities. Maritimes & Northeast says that the rates for interim service utilizing the 1998 Facilities will be rates negotiated at a level at or below the maximum rates for Phase I. The cost of all 1998 Facilities will be deferred and rolled into total system costs, after a credit (if any) for net revenues received from shippers using the 1998 Facilities, and will be used to develop the U.S. Facilities rates to be effective when the 1999 Facilities are placed in service.

The proposed rates and charges for services proposed to be rendered by Maritimes & Northeast are set forth in its *pro forma* FERC Gas Tariff, included in Exhibit P of the application. Maritimes & Northeast requests authorization to charge the rates referenced above as its initial rates. Services proposed to be offered by Maritimes & Northeast include a 365-day firm transportation service (MN365), 151-day and 90-day firm seasonal services (MN151 and MN90) and firm off-peak service (MNOP). Interruptible service will be available under Rate Schedule MNIT.

Maritimes & Northeast says that the Phase II tariff, First Revised Volume No. 1, is based upon the Phase I tariff, with certain modifications to reflect the interconnection of the facilities of Maritimes & Northeast with the Canadian facilities at the international border and to reflect certain changes required by the Commission's July 31, 1996, Preliminary Determination for Phase I.

Maritimes & Northeast proposes that Rate Schedule MN365 be a recourse rate schedule for Phase II. Costs have been allocated to service under Rate Schedule

MN365. Maritimes & Northeast proposes that Rate Schedules MN151, MN90 and MNOP be treated as negotiated rates, subject to the treatment accorded in *Shell Gas Pipeline Company*.² Maximum and minimum rates are stated on the tariff rate sheets for each such rate schedule in accordance with *Shell*. Maritimes & Northeast will record each volume transported, billing determinant, rate component, surcharge, and revenue associated with its negotiated rates so that these may be filed and separately identified, and separately totaled, in all future rate case filings.

Finally, Maritimes & Northeast says that a uniform incremental lateral line rate has been developed for transportation on the laterals commencing in 1999. The lateral line rate is designed to ensure that customers regarding service on lateral lines will pay separate rates for that service reflecting certain of the costs of that service in addition to the mainline rate.

Maritimes & Northeast says that the pipeline and lateral routes are environmentally sound and utilize existing rights-of-way corridors for approximately 64% of the route. Further, Maritimes & Northeast says that the environmental information provided in Exhibits F-I through F-IV meets the technical requirements necessary for Commission Staff to begin an environmental analysis as defined in the Commission's August 1995 "Guidance Manual for Environmental Report Preparation". However, Maritimes & Northeast has not provided the exact locations of the two compressor stations and the various above-ground facilities proposed in the application. The Commission Staff cannot establish a schedule for completion of the environmental impact statement until that information is received. Furthermore, the *Draft Environmental Impact Statement* can not be issued until after the cultural resources field investigation report, and the major river crossing plans (including the St. Croix River importation point proposed in Docket No. CP96-810-000) are filed and analyzed.

Maritimes & Northeast also filed certain exhibits describing a 30-inch single-pipe alternative that it seeks to construct from Dracut, Massachusetts to a proposed interconnection with the Portland Natural Gas Transmission System (PNGTS) near Portland Maine. Maritimes & Northeast says that its 30-inch single-pipe alternative is designed

² See Order Issuing Blanket Certificate in Docket No. CP96-159-002 on July 31, 1996 at 76 FERC ¶ 61,126.

to accommodate service to PNGTS (or other arrangements such as a joint pipeline or common right-of-way) and to meet the 1997 in-service requirements for Maritimes & Northeast's Phase I facilities. Maritimes & Northeast requests the Commission consider its 30-inch single-pipe alternative from Dracut to Portland in a timely manner in order that it may be approved, if selected as the most desirable alternative, in time for the 1997 Phase I commencement of service. However, the Commission has docketed as Docket No. CP96-178-002, the Dracut to Wells part of this request as an amendment to Maritimes & Northeast's Phase I application.³ The Commission Staff is unable to establish a schedule for this request unless Maritimes & Northeast files additional pipeline certificate exhibits concerning the amendment and further information about the specific nature of the shared use of a single pipeline or right-of-way.

Any person desiring to be heard or to make any protest with reference to said application should on or before November 4, 1996, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211) and the regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's rules.

Take further notice that pursuant to the authority contained in and subject to the jurisdiction conferred upon the Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this Application if no petition to intervene is filed within the time required herein or if the

Commission on its own review of the matter finds that a grant of the application is required by the public convenience and necessity. If a petition for leave to intervene is timely filed, or if the Commission, on its own motion, believes that a formal hearing is required, further notice of such hearing will be given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Maritimes & Northeast to appear or be represented at the hearing.

Lois D. Cashell,

Secretary.

[FR Doc. 96-26768 Filed 10-17-96; 8:45 am]

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[Docket No. CP96-810-000]

Maritimes & Northeast Pipeline, L.L.C.; Notice of Application for Authorization To Construct, Operate and Maintain Border Facilities and for Presidential Permit

October 11, 1996.

Take notice that on September 23, 1996, Maritimes & Northeast Pipeline, L.L.C. (Maritimes & Northeast), c/o M&N Management Company, 1284 Soldiers Field Road, Boston, Massachusetts, 02135, filed an application in Docket No. CP96-810-000. The application seeks authorization to site, construct, operate and maintain pipeline facilities at the United States-Canada International Boundary near Woodland, Maine and St. Stephen, New Brunswick, Canada. A Presidential Permit for these border facilities is sought under Executive Order No. 10485, as amended by Executive Order No. 12038, Secretary of Energy Delegation Order No. 0204-112 and Sections 153.10 through 153.12 for the Commission's regulations. Section 3 authorization to site, construct, operate and maintain facilities is sought under Section 3 of the Natural Gas Act (NGA), Secretary of Energy Delegation Order No. 0204-112 and Sections 153.1 through 153.8 of the Commission's Regulations. The details of Maritimes & Northeast's proposal are more fully set forth in the application which is on file with the Commission and open to public inspection.

Maritimes & Northeast is a limited liability company, organized and existing under the laws of the state of Delaware. Maritimes & Northeast's members are M&N Management Company, a wholly-owned subsidiary of PanEnergy Corp; Westcoast Energy (U.S.) Inc., a wholly-owned subsidiary of Westcoast Energy, Inc. and Mobil Midstream Natural Gas Investment, Inc.,

a wholly-owned subsidiary of Mobil Oil Corporation.

Maritimes & Northeast says that the proposed border facilities will connect Maritimes & Northeast's proposed United States Phase II facilities with the Canadian facilities to be constructed by Maritimes & Northeast's Canadian affiliate, Maritimes & Northeast Pipeline Limited Partnership ("M & N Limited Partnership"). Authority to construct Maritimes & Northeast's proposed United States Phase II facilities has been requested under Section 7 of the NGA in an application filed contemporaneously in Docket No. CP96-809-000.

Maritimes & Northeast says that the specific facilities proposed to be constructed at the above-described point on the United States-Canada International Border will consist of the following:

(1) about 400 feet of 30-inch diameter high-pressure pipeline placed at a depth not less than five feet beneath the river bed of the St. Croix River,

(2) associated valving on each side of the river, and

(3) check-meter facilities located approximately 1.8 miles from the border on the United States side.

However, Maritimes & Northeast has not provided site specific river crossing environmental information. The Commission Staff cannot establish a schedule for completion of its environmental review until that information is received.

Any person desiring to be heard or to make any protest with reference to said application should on or before November 4, 1996, file with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214 or 385.211). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to jurisdiction conferred upon the Federal Energy Regulatory Commission by Sections 3 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure, a hearing will be held without further notice before the Commission or its designee on this

³The amendment was included in parts of the text and exhibits filed by Maritimes and Northeast in this filing, (Docket No. CP96-809-000). The Commission will sever those parts of the text and exhibits and treat them as an amendment to Phase I. Hereafter, filings concerning the 30-inch single pipeline alternative for the distance from Dracut to Wells should be filed under Docket No. CP96-178-002. Filings concerning the 30-inch pipeline alternative from Wells to Cumberland/Portland, Maine will be considered in this case, (Docket No. CP96-809-000).