

services with more than one award made under each RFP.

Contract Term: A contract term of five to ten years is envisioned. This would allow a contractor two to three years to procure transportation and storage equipment and achieve operational readiness. Performance of waste acceptance and transportation services would take place over the remaining period of any contract. A service period spanning several years also would allow contractors the flexibility to improve the efficiency of operations and reduce costs.

Schedule: Schedule specifics will be addressed in any solicitation. For planning purposes, it is expected that a Federal facility could be in operation to receive spent fuel within four years of statutory direction, and contractors could be expected to begin developing service arrangements with Purchasers two to three years before spent fuel shipment.

Submissions of Interest

OCRWM is interested in receiving expressions of interest and comments relating to this proposed approach for carrying out its waste acceptance, transportation and any storage functions especially with regard to the following issues:

1. The ability of transportation service contractors and individual Purchasers to reach agreement on methods and schedules for servicing specific utility sites, including ways to foster Purchaser cooperation.

2. The willingness of Purchasers to construct temporary or permanent physical plant modifications and to obtain license amendments or technical specification changes that would improve the efficiency and reduce the costs of loading and removal of spent fuel from individual plants.

3. The reasonableness of dividing the country into a number of regions to preserve competition and industrial capability in the marketplace, while still ensuring low cost services to OCRWM.

4. The capability of the nuclear industry to acquire sufficient spent fuel canister, transportation cask, and storage module production capacity to meet near-term service contractor requirements.

5. Potential business arrangements/pricing structures which might increase contractor freedom and flexibility to develop and implement innovative approaches to improve system efficiency and lower costs, reduce or eliminate the need for front-end financing by OCRWM of contractor activities and procurements, or mitigate

risks associated with programmatic uncertainties.

6. Alternative methods of structuring this procurement to ensure competition on future procurements.

DOE will consider and may utilize all information, recommendations, and suggestions provided in response to this notice. Respondents should not provide any information that they consider to be privileged or confidential or which the respondent does not want disclosed to the public. DOE does not intend to respond to comments, either to individual commentors or by publication of a formal notice. Each submittal should consist of one original and three photocopies.

This notice should not be construed (1) as a commitment by the Department to enter into any agreement with any entity submitting an expression of interest or comments in response to this Notice, (2) as a commitment to issue any RFP concerning the subject of this Notice, or (3) as a request for proposals.

Issued in Washington, DC, on May 21, 1996.

Scott Sheffield,

Director, Headquarters Operation Division "B", Office of Placement and Administration.

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Federal Energy Regulatory Commission

[Docket No. CP96-517-000]

Algonquin LNG, Inc.; Notice of Application

May 21, 1996.

Take Notice that on May 13, 1996, Algonquin LNG, Inc. (Algonquin LNG), 1284 Soldiers Field Road, Boston, Massachusetts, 02135, filed in Docket No. CP96-517-000 an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act (NGA) and a request for abandonment of services and facilities under Section 7(b) of the NGA. Algonquin LNG seeks authorization for new services and facilities so that it will have the enhanced flexibility to receive from its customers natural gas to be liquefied and stored as liquefied natural gas (LNG), and to withdraw and deliver, as requested by its customer(s), such natural gas in liquid or gaseous form. Algonquin LNG's proposal is more fully set forth in its application which is on file with the Commission and open for public inspection.

Specifically, Algonquin LNG seeks authorization to:

- (1) acquire, own, and operate existing pipeline facilities for the purpose of

connecting its storage facility to the interstate pipeline grid;

- (2) construct, own, and operate new pipeline, liquefaction, high-pressure vaporization, metering, and ancillary facilities; and,

- (3) provide an enhanced LNG firm and interruptible handling service, which will include natural gas liquefaction, LNG storage and LNG vaporization on an open access, self-implementing blanket basis.

Algonquin LNG also wants the Commission to:

- (4) approve the terms and conditions of a restated and revised FERC Gas Tariff;

- (5) approve a Blanket Certificate under Part 157, Subpart F, of the Commission's Regulations for the construction from time to time of eligible facilities other than those at the LNG plant site; and,

- (6) authorize the abandonment, pursuant to Section 7(b) of the NGA, of the services it presently provides, and the low-pressure vaporizers and certain other facilities currently in service at Algonquin LNG's site.

Algonquin LNG currently owns and operates a 600,000 barrel LNG storage facility located at a site on the west bank of the Providence River in Providence, Rhode Island. Algonquin LNG utilizes such LNG storage facility to provide firm and interruptible open access LNG storage and vaporization service approved under Part 284 of the Commission's regulations pursuant to Algonquin LNG's Rate Schedules FST-LG and IST-LG. Algonquin LNG says that its current LNG plant does not have direct access to the interstate pipeline grid, but that vaporized LNG is delivered into the interstate system via displacement through the local distribution facilities of Providence Gas Company (Providence Gas).

Algonquin LNG proposes by this application to enhance its LNG storage services by installing liquefaction capability at its LNG plant and to establish a direct connection to the interstate pipeline grid. Algonquin LNG will acquire two 10-inch lines under the Providence River near its LNG plant from Providence gas and will construct one mile of new 20-inch line to connect the river crossing with Algonquin Gas Transmission Company's (Algonquin Gas) mainline.¹ Algonquin LNG will also construct liquefaction facilities capable of liquefying natural gas at a rate of 40,000 MMBtu/d, and

¹ Algonquin Gas proposes to rebuild the East Providence meter station under its Subpart F blanket certificate and associated environmental requirements. Algonquin LNG will pay for the rebuild.

vaporization facilities with a vaporization capability of 375,000 MMBtu/d. Further, Algonquin LNG will construct various metering facilities, control and monitoring systems and other miscellaneous facilities. No changes to tank storage although Algonquin LNG intends to conduct a thorough inspection of the internal components of the tank and perform any necessary maintenance. The total cost of all of this work is estimated to be \$75.7 million, including the acquisition cost of the river crossing pipelines.

Algonquin LNG proposes to provide its new open access LNG handling service under the terms of its proposed Second Revised Volume No. 1—FERC Tariff, which is contained in Exhibit P of the application. Algonquin LNG says that the open access provisions of its former Volume No. 1—FERC Tariff have been replicated in the new tariff. Algonquin LNG says that the new tariff will control the nomination and scheduling of liquefaction and vaporization and may, under certain conditions, subject customers to operational flow orders. The tariff consists of a firm service rate schedule and an interruptible rate schedule, plus general terms and conditions and *pro forma* service agreements.

The proposed initial rates for Algonquin LNG's firm and interruptible services are based on a straight fixed-variable cost classification. The reservation fee has been designed on the basis of storage tank capacity. The vaporization and liquefaction services will subject the customers to fuel use retainage factors and adjustments. The rate base underlying the proposed initial rates is based on the estimated capital cost of \$75.7 million, plus the net book value as of November 1, 1997, of the existing facilities that will be used as part of this proposal. The cost of service underlying the proposed initial rates was developed utilizing the capital structure of Algonquin LNG's parent Algonquin Gas and the cost of capital, as approved in Algonquin Gas's most recent rate settlement, along with a proposed depreciation rate of 3.33 percent.

Algonquin LNG says that interruptible customers will pay a unit rate equal to the cost that a firm customer would incur for storage of one barrel of LNG for one year, but that no costs have been allocated to interruptible service. Instead, the tariff provides for crediting to firm customers of 90 percent of revenues received for interruptible storage and services.

Algonquin LNG says that the available capacity of the project, 592,000 barrels of LNG storage, has been fully

subscribed. Providence Gas has signed a binding precedent agreement obligating it to sign a service agreement for 349,452 barrels. EnergyPlus Marketing Company (EnergyPlus), an affiliate of Algonquin LNG via parent company PanEnergy Corp., has signed a binding precedent agreement obligating it to sign a service agreement for 242,548 barrels, the remainder of the available capacity. Therefore, Algonquin LNG says that it has satisfied all of the conditions required to avoid an "at risk" condition. Both Providence Gas and EnergyPlus will be responsible for obtaining gas supplies.

Algonquin LNG says that the existing Algonquin Gas system would function as both the upstream and the downstream connection to the proposed new facilities, depending upon whether Algonquin LNG is functioning in the vaporization or liquefaction mode. There is capacity on the Algonquin Gas system to take gas away from the Algonquin LNG Interconnect. Thus, no downstream capacity needs to be installed on the Algonquin Gas pipeline to support peak day vaporization operations of the Algonquin LNG facility.

Algonquin LNG says that the environmental impact of the proposed project will be minimal. Most of the construction will take place within a site that has been dedicated to industrial use for over a century. It says that the use of the existing Providence Gas-owned river crossings will further minimize the environmental impacts of the project. It further says that the environmental impacts associated with the 1 mile of 20-inch pipeline on the east side of the river will be minimal as a result of the location of a substantial portion of the pipeline within or adjacent to existing right-of-way corridors. Algonquin LNG also says that any impacts of the operation of the plant would be little affected by the proposed plant modifications and that the use of electric compressors and pumps will limit air and noise emissions from the site.

Any person desiring to be heard or to make any protest with reference to this application should on or before June 12, 1996, file with the Federal Energy Regulatory Commission, 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 NGA (18 CFR 157.20). 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 the 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 NGA 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 motion to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a motion 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 duly given. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Algonquin LNG to appear or be represented at the hearing.

Lois D. Cashell,

Secretary.

[FR Doc. 96-13217 Filed 5-24-96; 8:45 am]

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[Docket No. RP96-212-001]

CNG Transmission Corporation; Notice of Section 4 Filing

May 21, 1996.

Take notice that on May 14, 1996, CNG Transmission Corporation (CNG), tendered for filing, pursuant to Section 4 of the Natural Gas Act, Substitute Original Sheets 10, 11, 12, 19, 22, 29, 30, 61, 62, 79, 84, 86, 87, 88, 89, 93, 103, and 104 to First Revised Volume 1A of CNG Transmission's FERC Gas Tariff. CNG further states that the filing is made to correct errata in the filing of First Revised Volume 1A.

Any person desiring to protest this filing should file a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with the requirements of the Commission's Rules and Regulations. All such protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make the protestants parties to the proceedings. Copies of this filing are on file with the Commission and are