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VIA FACSIMILE AND MAIL  
OFFICE OF FOSSIL ENERGY  
U.S. DEPARTMENT OF ENERGY

November 23, 2004

Ms. Larine Moore  
Office of Fossil Energy  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Docket Room 3E-042, FE-34  
Washington, D.C. 20585

04-122-N6

Supersede  
Order  
1831  
(02-85-N6)

Re: Application of KeySpan Gas East Corporation for Blanket Authorization to Import and Export Natural Gas from and to Canada and to Vacate Existing Blanket Authorization, FE Docket No. 04-122-NG

Dear Ms. Moore:

Please find enclosed for filing an original and one copy of the Application of KeySpan Gas East Corporation for Blanket Authorization to Import and Export Natural Gas from and to Canada and to Vacate Existing Blanket Authorization. Also enclosed is a check in the amount of \$50.00, made payable to the Treasurer of the United States, for the filing fee.

A copy of this application is also being transmitted to you as of the date of this letter by facsimile. Thank you for your assistance.

Very truly yours,



Janet M. Robins

Enclosures

UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

\_\_\_\_\_  
IN THE MATTER OF )  
 )  
KEYSPAN GAS EAST CORPORATION )  
\_\_\_\_\_ )

FE Docket No. 04 - 122 - NG

APPLICATION OF KEYSPAN GAS EAST CORPORATION  
FOR BLANKET AUTHORIZATION TO IMPORT AND EXPORT  
NATURAL GAS FROM AND TO CANADA AND  
TO VACATE EXISTING BLANKET AUTHORIZATION

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717b, the regulations of the Department of Energy ("DOE"), 10 C.F.R. § 590.201, et seq., and DOE Delegation Order Nos. 0204-111 and 0204-127, KeySpan Gas East Corporation ("KeySpan Gas East") hereby applies to DOE's Office of Fossil Energy ("OFE") for blanket authority to import and export up to a total of 25 Bcf of natural gas from and to Canada for a two-year period beginning on December 10, 2004. KeySpan Gas East also requests OFE to vacate its existing blanket authorization as of the date that it grants the new blanket authority requested here. In support of its application, KeySpan Gas East states the following:

I.

The exact legal name of KeySpan Gas East is KeySpan Gas East Corporation, d/b/a KeySpan Energy Delivery Long Island. KeySpan Gas East, a local natural gas

distribution company, is a New York corporation with its principal place of business in Hicksville, New York. Its parent company is KeySpan Corporation ("KeySpan"), a New York State Corporation, which has its principal place of business in Brooklyn, New York. As stated in the opinion of counsel that KeySpan Gas East submitted to OFE on November 21, 2002 in FE Docket No. 02-85-NG, in connection with its previous application for blanket authorization to import and export natural gas, the proposed natural gas importation and exportation is within the corporate powers of KeySpan Gas East.

Communications regarding the application should be directed to:

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KeySpan Utilities Services, LLC  
One Metro Tech Center  
Brooklyn, New York 11201  
(718) 596-7802  
FAX: (718) 403-3106

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FAX: (202) 887-0689

## II.

KeySpan Gas East requests blanket import and export authorization to import and export up to a total of 25 Bcf of natural gas from and to Canada over a two-year period commencing December 10, 2004, and also requests OFE to vacate its existing blanket authorization as of the date that the new blanket authorization requested here is granted. KeySpan Gas East's existing blanket authorization was

granted in DOE/FE Order No. 1831 ("Order 1831") in FE Docket No. 02-85-NG. Order 1831 authorizes KeySpan Gas East to import up to 2 Bcf of gas over a two year term extending until January 15, 2005. KeySpan Gas East now anticipates that it will need to import more than 2 Bcf of gas by January 15, 2005. It accordingly requests OFE to vacate the blanket authorization granted in Order 1831 and issue a new blanket authorization, effective as of December 10, 2004, that will permit KeySpan Gas East to import and export up to 25 Bcf of gas over a two year period beginning December 10, 2004.

KeySpan Gas East requests authority to import and export the gas at any point on the international border at which existing United States transportation facilities accessible to KeySpan Gas East are located. KeySpan Gas East will make all U.S. transportation arrangements for the gas imported under the requested blanket authority. No new pipeline facilities subject to federal regulation will be required for the importation or exportation, and no potential environmental impact is anticipated.

KeySpan Gas East will comply with all reporting requirements deemed necessary by the Department of Energy, including filing quarterly reports.

### III.

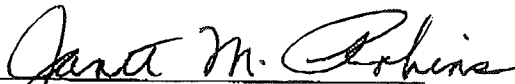
Section 3 of the Natural Gas Act provides that an import or export of natural gas must be authorized unless there is a finding that it "will not be consistent with the public interest." 15 U.S.C. § 717b(a) (1993). As amended by Section 201 of the Energy Policy Act of 1992, P.L. 102-486, 106 Stat. 2866 (1992), 15 U.S.C. § 717b(c) (1993), the importation and exportation of natural gas from and to "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 authorization for such must be

granted without modification or delay. 15 U.S.C. § 717b(c). This authorization, sought by KeySpan Gas East, is to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect. It therefore meets the Section 3(c) criterion, and should be approved as consistent with the public interest.

WHEREFORE, KeySpan Gas East respectfully requests blanket authorization effective December 10, 2004 to import and export up to 25 Bcf of natural gas from and to Canada for a two-year period beginning on December 10, 2004. It also request OFE to vacate the blanket authorization OFE granted to KeySpan Gas East in Order 1831 as of the date that it grants the new blanket authority requested here.

Dated: November 23, 2004

Respectfully submitted,

By: 

Beth L. Webb

Janet M. Robins

Dickstein Shapiro Morin

& Oshinsky LLP

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Attorneys for KeySpan Gas East Corporation



UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY  
U.S. DEPARTMENT OF ENERGY

KEYSPAN GAS EAST CORPORATION

FE DOCKET NO. 04-122-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS  
FROM AND TO CANADA

DOE/FE ORDER NO. 2053

DECEMBER 9, 2004

## I. DESCRIPTION OF REQUEST

On November 23, 2004, KeySpan Gas East Corporation, d/b/a KeySpan Energy Delivery Long Island (KeySpan Gas East) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),<sup>1/</sup> for blanket authorization to import and export up to a combined total of 25 billion cubic feet (Bcf) of natural gas from and to Canada. The applicant requests the authorization be granted for a two-year term beginning on December 10, 2004. KeySpan Gas East is a New York corporation with its principal place of business in Hicksville, New York.

## II. FINDING

The application has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement 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 import and export of natural gas from and to 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 KeySpan Gas East to import and export natural gas from and to 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. This Order authorizes transactions with terms of no longer than two years.

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<sup>1/</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redefinition Order No. 00-002.4 (January 8, 2002).

ORDER

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

A. KeySpan Gas East Corporation (KeySpan Gas East) is authorized to import and export up to a combined total of 25 billion cubic feet of natural gas from and to Canada. The two-year term of authority will begin on December 10, 2004, and extend through December 9, 2006.

B. This natural gas may be imported and exported at any point on the border of the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, KeySpan Gas East shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and/or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the United States transporter(s); (7) the point(s) of entry and exit; (8) the geographic market(s) served (for imports, by State); and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

[OMB No.: 1901-0294]



D. The first quarterly report required by this Order is due not later than January 30, 2005, and should cover the period from December 10, 2004, until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas & Petroleum Import & Export Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 9, 2004.



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R.F. Corbin  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy