

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BAY STATE GAS COMPANY )  
\_\_\_\_\_)

FE DOCKET NO. 95-73-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS  
FROM CANADA

DOE/FE ORDER NO. 1086

SEPTEMBER 26, 1995

I. DESCRIPTION OF REQUEST \_\_\_\_\_

On September 18, 1995, Bay State Gas Company (Bay State) 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> and DOE Delegation Order Nos. 0204-111 and

0204-127, for blanket authorization to import up to 40 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on the date of the first delivery after October 31, 1995.<sup>2/</sup> Bay State, a Massachusetts corporation with its

principal place of business in Westborough, Massachusetts, is a natural gas distributor that provides retail gas services to approximately 247,000 customers in southeastern, western and northeastern Massachusetts.<sup>3/</sup> Bay State will import the

natural gas under short-term and spot market arrangements, either on its own behalf or as the agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING \_\_\_\_\_

The application filed by Bay State has been evaluated to determine if the proposed import arrangement meets the public

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

2/ This is the expiration date of Bay State's blanket authorization to import natural gas from Canada, granted in DOE/FE Opinion and Order No. 826 on July 30, 1993 (1 FE 70,824). \_\_\_\_\_

3/ Bay State is the parent company in an integrated natural gas system with two wholly-owned subsidiaries: Northern Utilities, \_\_\_\_\_

Inc., a natural gas distributor operating in Maine and New Hampshire; and Granite State Transmission, Inc., an interstate natural gas pipeline.

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 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 Bay State 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. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

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

A. Bay State Gas Company (Bay State) is authorized to import up to 40 Bcf of natural gas from Canada over a two-year term beginning on the date of the first delivery after October 31, 1995. This natural gas may be imported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Bay State 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 of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports authorized by this Order, Bay State shall file with OFP, within 30 days following each calendar quarter, quarterly reports indicating whether imports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports have occurred, Bay State must report total monthly volumes in Mcf and the average purchase price of gas per MMBtu at the international border. The reports shall also provide the details of each import transaction, including: (1) the name of the seller(s); (2) the name of the purchaser(s); (3) the estimated or actual duration of the agreement(s); (4) the name of the United States transporter(s); (5) the point(s) of entry; (6) the geographic market(s) served; (7) whether sales are being made on an interruptible or firm basis; and, if applicable, (8) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price.

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than January 30, 1996, and should cover the period from November 1, 1995, until the end of the fourth calendar quarter, December 31, 1995.

Issued in Washington, D.C., on September 26, 1995.

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