

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

GRANITE STATE GAS TRANSMISSION, INC.

FE DOCKET NO. 86-43-NG

ORDER AMENDING LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 187-B

On August 5, 1987, the Economic Regulatory Administration (ERA)(predecessor to the Office of Fossil Energy (FE)) of the Department of Energy (DOE), in DOE/ERA Opinion and Order No. 187 (Order 187)⁽¹⁾, authorized Granite State Gas Transmission, Inc. (Granite State) to import up to 25,000 Mcf of natural gas per day from Canada on a firm basis and an additional daily quantity of up to 15,000 Mcf on an interruptible basis pursuant to a gas purchase contract with Shell Canadian Limited.

Granite State currently receives this natural gas supply at the import point on the U.S.-Canadian border near North Troy, Vermont, opposite Highwater, Quebec. The natural gas is received by Granite State into a leased pipeline facility which will soon be reconverted to a crude oil pipeline, the purpose for which it was originally built. Granite State immediately resells its supplies to Bay State Gas Company and Northern Utilities, Inc., both affiliates of Granite State. After resale, Granite State transports the natural gas in the leased pipeline and its own pipeline facilities to the distributors' markets in Maine, New Hampshire and Massachusetts.

On October 30, 1998, Granite State filed an application requesting DOE to amend Order 187 to redesignate the point of importation as Pittsburg, New Hampshire, opposite East Hereford, Quebec for the remainder of the outstanding term, effective on or about January 1, 1999. The Federal Energy Regulatory Commission has authorized the construction and operation of the Portland Natural Gas Transmission System (PNGTS) on the U.S. side of the U.S.-Canadian border. The National Energy Board of Canada has authorized extensions of the TransCanada and the TransQuebec-Maritimes (TQM) Pipeline systems. TQM and PNGTS will interconnect on the U.S.-Canadian border near Pittsburg, New Hampshire, and East Hereford, Quebec. After PNGTS and TQM are in service, Granite State will import its natural gas purchases at the interconnection between the two pipelines and immediately resell the gas to Bay State Company and Northern Utilities, Inc.

Accordingly, pursuant to section 3 of the Natural Gas Act, Order 187 is amended to authorize Granite State to import natural gas from Canada at Pittsburg, New Hampshire, opposite East Hereford, Quebec, the point of the border connection between the PNGTS and TQM, effective when these two pipelines become operational. In all other respects, the terms and conditions in Order 187 remain in full force and effect.

Issued in Washington, D.C. on November 27, 1998.

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1. 1/ 1 ERA ¶ 70,717.