

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

GRANITE STATE GAS TRANSMISSION, INC.

FE DOCKET NO. 93-85-NG

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

DOE/FE ORDER NO. 857-A

In DOE/FE Opinion and Order No. 857 (Order 857)<sup>(1)</sup>, issued October 5, 1993, Granite State Gas Transmission, Inc. (Granite State) was authorized to import up to 6,036 MMBtu (6,000 Mcf) of natural gas per day from Canada on a firm basis beginning on the date of the authorization, through October 31, 2006. The gas is supplied under a contract with Direct Energy Marketing Limited (Direct Energy).

Granite State currently receives natural gas at the import point on the U.S.-Canadian border near Highwater, Quebec, and North Troy, Vermont. 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 the natural gas at the import point to two affiliated natural gas distributors, Bay State Gas Company and Northern Utilities, Inc. After resale, Granite State transports the natural gas over the leased pipeline and its own pipeline facilities for delivery to the distributors' markets in Maine, New Hampshire and Massachusetts.

On October 30, 1998, Granite State filed an application requesting the Department of Energy to amend Order 857 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 the TQM and PNGTS border connection is 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. The two distributors will utilize capacity which they have reserved on the PNGTS system to transport their natural gas to market.

Accordingly, pursuant to section 3 of the Natural Gas Act, Order 857 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 pipeline systems, effective when these two pipelines become operational. Granite State shall report in its January 30, 1999, quarterly report the actual in-service date of this new pipeline interconnection. In all other respects the terms and conditions in Order 857 remain in full force and effect.

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

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1. 1/ 1 FE ¶ 70,862.