

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BAY STATE GAS COMPANY )  
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FE DOCKET NO. 99-97-NG

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1547

DECEMBER 7, 1999

## I. DESCRIPTION OF REQUEST

On November 15, 1999, 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 of natural gas from Canada for a period of two years commencing on the date of first delivery after January 6, 2000<sup>2/</sup>. Bay State is a Massachusetts corporation with its principal place of business located in Westborough, Massachusetts. Bay State is a wholly-owned subsidiary of Ni-Source, Inc., a holding company with its principal office located in Merrillville, Indiana, and is also affiliated with Northern Utilities, Inc., a natural gas distributor, operating in the States of Maine and New Hampshire, and with Granite State Gas Transmission, Inc., an interstate natural gas pipeline. Bay State is a natural gas distributor that provides retail gas services to approximately 247,000 customers in southeastern, western and northeastern Massachusetts. Bay State will import the natural gas under spot and short-term market arrangements, either on its own behalf or as the agent for others. The requested 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 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

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<sup>1/</sup> 15 U.S.C. § 717b.

<sup>2/</sup> January 6, 2000, is the expiration date of Bay State's existing blanket import authorization granted by DOE/FE Order No. 1343, dated December 17, 1997 (1 ¶ 71,503).

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

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 billion cubic feet of natural gas from Canada over a period of two years commencing on the date of first delivery after January 6, 2000. This natural gas may be imported at any point on the international border between the United States and Canada.

B. Within two weeks after deliveries begin, Bay State shall provide written notification 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 the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, 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 markets(s) served (by state); (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.

[OMB No.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later than April 30, 2000, and should cover the period from January 7, 2000, until the end of the first calendar quarter, March 31, 2000.

E. The notice and reports required by Ordering Paragraphs B and C of this Order shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S. W., Washington, D.C., 20585.

Issued in Washington, D.C., on December 7, 1999.

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Clifford P. Tomaszewski  
Manager, Natural Gas Regulation  
Office of Natural Gas & Petroleum  
Import & Export Activities  
Office of Fossil Energy