

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

KEYSPAN GAS EAST CORPORATION)
_____)

FE DOCKET NO. 02-85-NG

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

DOE/FE ORDER NO. 1831

NOVEMBER 29, 2002

I. DESCRIPTION OF REQUEST

On November 21, 2002, KeySpan Gas East Corporation (KGEC) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import and export up to a total of 2 billion cubic feet (Bcf) of natural gas from and to Canada over a two-year term beginning on January 15, 2003, and extending through January 14, 2005. KGEC, a local gas distribution company, is a New York corporation with its principal place of business in Hicksville, New York. Its parent company is KeySpan Corporation, the parent company of several gas utilities and one of the largest distributors of natural gas in the Northeast. KGEC requests authorization to import and to export at any point on the international border at which existing United States transportation facilities accessible to KGEC are located. The requested authorization does not require the construction of new pipeline facilities.

II. FINDING

The application filed by KGEC 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 or export of natural gas from or 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 KGEC 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

^{1/} 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary of Fossil Energy pursuant to Redelegation Order No. 00-002.04 (January 8, 2002).

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. KeySpan Gas East Corporation (KGEC) is authorized to import and export up to a total of 2 billion cubic feet of natural gas from and to Canada over a two-year term beginning on January 15, 2003, and extending through January 14, 2005. This natural gas may be imported or exported at any point on the international border of the United States and Canada.

B. With respect to the natural gas imports and exports authorized by this Order, KGEC shall file with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, KGEC must report the following: (1) total monthly volumes in Mcf; (2) the average purchase price of gas per 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 or exit; (8) the geographic market(s) served (for imports, by State). For import transactions only, the report shall also include: (1) whether sales are being made on an interruptible or firm basis; and, if applicable, (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

C. Quarterly reports shall be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2003, and should cover the period from January 15, 2003, until the end of the first calendar quarter, January 30, 2003.

Issued in Washington, D.C., on November 29, 2002.

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