

04-126-M6

Application for New Blanket Authorization

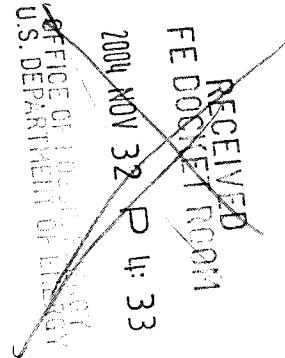
The DOE has assigned Application Tracking Number **3179** to this application. A summary of the application follows.

Basic Company Information for: Bay State Gas Company

Country where the Company is Located: United States
 Parent Company (If Applicable): NiSource Inc.
 State/Province of Incorporation: Massachusetts

Headquarters Contact Information:

Street: 300 Friberg Parkway
 City: Westborough
 State/Province: Massachusetts
 Zip/Postal Code: 01581
 Phone Number: 508-836-7000 ext.
 Fax Number: 508-836-7072

**Principal Place of Business:**

City: Westborough
 State/Province: Massachusetts
 Zip/Postal Code: 01581
 Country: United States

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Requested Authorities: - Import NG from Canada
 - Export NG to Canada

Combined Volume in billion cubic feet (Bcf) for all Selected authorities is **60 billion cubic feet (Bcf)** for two years.

Order will be effective on the date Order is issued by DOE.

**Administrative Contact
(For the Application):**

Name: Janet M Robins
 Title: Dickstein Shapiro Morin & Oshinsky LLP
 Country: United States
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 State/Province: District of Columbia
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 Phone Number: 202-775-4783 ext.
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Report Contact**(For the Quarterly Report):**

Name: Melissa Ferullo
 Title: Northeast Gas Markets, L.L.C.
 Country: United States
 Street: 100 Cummings Center Suite 457 G
 City: Beverly
 State/Province: Massachusetts
 Zip/Postal Code: 010915
 Phone Number: 978-922-1194 ext.
 E-Mail: mferullo@negm.com

DOE will send the Order to the Company via one of the following:

- E-Mail
- Mail

DOE will communicate with the Company via one of the following:

- E-Mail
- Mail

Does the company have either past or current Orders: Yes

Order or Docket numbers:

1547, 1843

Document Information

Status: Unprocessed

Application submitted on 11/30/2004

Comments:

Company Name: Bay State Gas Company - Tracking Number: 3179 - Order Effective Date: Date issued by DOE

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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OFFICE OF FOSSIL ENERGY
U.S. DEPARTMENT OF ENERGY

BAY STATE GAS COMPANY)
_____)

DOCKET NO. 04-126-NG

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

DOE/FE ORDER NO. 2055

DECEMBER 9, 2004

I. DESCRIPTION OF REQUEST

On December 2, 2004, as supplemented on December 7, 2004, 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),^{1/} for blanket authorization to import and export up to a combined total of 60 billion cubic feet of natural gas from and to Canada. Bay State requests the authorization be granted for a two-year term beginning on April 1, 2003. Bay State is a Massachusetts corporation with its principal place of business in Westborough, Massachusetts.

II. FINDING

The application 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 and export of natural gas from and 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 Bay State 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 consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

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

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 and export up to a combined total of 60 billion cubic feet of natural gas from and to Canada. The two-year term of authority began on April 1, 2003, and extends through March 31, 2005.

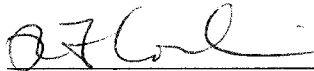
B. This natural gas may be imported and exported at any entry or exit point on the border of the United States and Canada.

C. With respect to the natural gas imports and exports authorized by this Order, Bay State shall file with the Office of Natural Gas Regulatory Activities, within 30 days following each calendar quarter, reports indicating whether imports and exports of natural gas have been made. Quarterly reports must be filed whether or not initial deliveries have begun. If imports and exports of natural gas have not been made, a report of "no activity" for that calendar quarter must be filed. If imports and/or exports have occurred, the report must give the details of each transaction, including: (1) the total monthly volumes in thousand cubic feet (Mcf); (2) the average purchase price of gas per million British thermal units (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 and exit; (8) the geographic market(s) served (for imports, by State); and, if applicable, (9) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The first quarterly report required by this Order is due not later than April 30, 2005, and should cover the period from the date of this Order, until the end of the fourth calendar quarter, December 31, 2004.

E. The quarterly reports shall be filed with the U.S. Department of Energy, Office of Natural Gas Regulatory Activities, FE-34, P.O. Box 44375, Washington, D.C. 20026-4375.

Issued in Washington, D.C., on December 9, 2004.



R. F. Corbin
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy