

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NYSEG SOLUTIONS, INC.

FE DOCKET NO. 04-02-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1934

JANUARY 13, 2004

I. DESCRIPTION OF REQUEST

On January 08, 2004, NYSEG Solutions, Inc. (NYSEG Solutions) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA),^{1/} for blanket authorization to import up to 15 billion cubic feet (Bcf) of natural gas from Canada over a two-year term beginning on January 1, 2004, and extending through December 31, 2005. NYSEG Solutions, an affiliate of Energetix, Inc., is a New York corporation with its principal place of business in Binghamton, New York. NYSEG Solutions is engaged in the business of purchasing, selling and marketing natural gas and electricity. NYSEG Solutions will import the natural gas under spot and short-term purchase arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by NYSEG Solutions 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 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 NYSEG Solutions 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.

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

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. NYSEG Solutions, Inc. (NYSEG Solutions) is authorized to import up to 15 billion cubic feet of natural gas from Canada over a two-year term beginning on January 1, 2004, and extending through December 31, 2005. This natural gas may be imported at any point on the international border between the United States and Canada.

B. With respect to the natural gas imports authorized by this Order, NYSEG Solutions 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, NYSEG Solutions 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]

C. The reporting requirements described in Ordering Paragraph B 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.

D. The first quarterly report required by Ordering Paragraph B of this Order is due not later than April 30, 2004, and should cover the period from January 1, 2004, until the end of the first calendar quarter, March 31, 2004.

Issued in Washington, D.C., on January 13, 2004.

Sally Kornfeld
Acting Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy