

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

THE BROOKLYN UNION GAS COMPANY,)	ERA DOCKET NOS.	86-44-NG
KEYSPAN GAS EAST CORPORATION)		86-45-NG
(D/B/A BROOKLYN UNION OF LONG)		86-46-NG
ISLAND), CONNECTICUT NATURAL GAS)		86-48-NG
CORPORATION, NEW JERSEY NATURAL)		
GAS COMPANY, SOUTHERN CONNECTICUT)		
GAS COMPANY, CENTRAL HUDSON GAS &)	FE DOCKET NOS.	87-02-NG
ELECTRIC CORPORATION, CONSOLIDATED)		94-43-NG
EDISON COMPANY OF NEW YORK, INC.,)		
BOSTON GAS COMPANY, PUBLIC SERVICE)		
ELECTRIC AND GAS COMPANY, ESSEX)		
COUNTY GAS COMPANY, ENERGYNORTH)		
NATURAL GAS, INC., COLONIAL GAS)		
COMPANY, NATIONAL FUEL GAS)		
DISTRIBUTION CORPORATION, VALLEY)		
GAS COMPANY, AND YANKEE GAS)		
SERVICES COMPANY)		

ORDER AMENDING PREVIOUS ORDERS
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 368-I

NOVEMBER 23, 1999

I. DESCRIPTION OF REQUEST

In a series of orders issued by the Office of Fossil Energy (FE) of the Department of Energy (DOE), Brooklyn Union Gas Company (Brooklyn Union)^{1/} of Brooklyn, New York, a natural gas distribution company (LDC), and other New York, New Jersey, and New England LDC's were authorized to purchase and import Canadian natural gas from Alberta Northeast Gas Limited (ANE).^{2/} Based on the latest revision to the import authorizations originally granted, these LDC's (herein called the "Repurchasers") are presently permitted to import a combined total of up to 397,100 Mcf per day of gas through October 31, 2007.^{3/} ANE acquires the gas from TransCanada Gas Services, a division of TransCanada Energy Limited,^{4/} ProGas Limited (ProGas), Alberta Energy Corporation (AEC), and Canadian Forest Oil Ltd. (CFO). Each

^{1/} Brooklyn Union is the fourth largest natural gas utility in the United States. On September 29, 1997, Brooklyn Union formed a holding company, KeySpan Energy Corporation (KeySpan) of which Brooklyn Union is the principal subsidiary. Brooklyn Union's subsidiaries became members of the KeySpan family of companies. On May 29, 1998, KeySpan merged with Long Island Lighting Company. Brooklyn Union serves customers in Brooklyn, Queens, and Staten Island. A separate KeySpan subsidiary, Brooklyn Union of Long Island, provides gas service to Long Island.

^{2/} ANE is a Canadian corporation established by these northeastern gas distribution companies. This import authorization evolved from five applications originally filed in August 1986 and January 1987 by different combinations of 18 northeastern LDC's. See *Brooklyn Union Gas Company, et al.*, Economic Regulatory Administration (ERA) Docket Nos. 86-44-NG, 86-45-NG, 86-46-NG, 86-48-NG, and 87-02-NG. The initial authorization has been amended several times to add/delete certain LDC's, reassign/increase/decrease the allocated import volumes of certain others, and add additional import entry points. The relevant orders issued by DOE encompass ERA Docket Nos. 86-44-NG, *et al.*, and FE Docket Nos. 91-11-NG, 91-92-NG and 93-42-NG. See *Brooklyn Union Gas Company, et al.*, DOE/FE Opinion and Order Nos. 368 issued January 11, 1990 (1 FE ¶ 70,285); 368-A issued November 15, 1990 (1 FE ¶ 70,370); 368-B issued January 16, 1991 (1 FE ¶ 70,400); 368-C issued March 18, 1991 (1 FE ¶ 70,426, March 18, 1991); 368-D issued November 11, 1991 (1 FE ¶ 70,504); 368-E issued November 27, 1991 (1 FE ¶ 70,505); 561 issued December 19, 1991 (1 FE ¶ 70,515); 561-A issued February 20, 1992 (1 FE ¶ 70,533); 368-F issued May 7, 1993 (1 FE ¶ 70,791); 368-G issued July 11, 1994 (1 FE ¶ 70,994); and 368-H issued April 25, 1995 (¶ 71,107). See also *National Fuel Gas Supply Corporation, et al.*, DOE/FE Opinion and Order No. 425 issued September 29, 1990 (1 FE ¶ 70,353).

^{3/} The ANE Repurchasers currently are Brooklyn Union Gas Company, Long Island Lighting Company, Connecticut Natural Gas Corporation, New Jersey Natural Gas Company, Southern Connecticut Gas Company, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Boston Gas Company, Public Service Electric & Gas Company, Essex County Gas Company, EnergyNorth Natural Gas, Inc., Colonial Gas Company, National Fuel Gas Distribution Corporation, Valley Gas Company, and Yankee Gas Services Company.

^{4/} Formerly TransCanada Gas Marketing Limited and Western Gas Marketing Limited.

Repurchaser buys a predetermined share of the 397,100 Mcf per day from ANE. The gas sales contracts between ANE and the various Repurchasers require ANE to offer volumes not taken by one Repurchaser for purchase and import by other Repurchasers.

On September 22, 1999, the Repurchasers filed an application with FE, under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting amendments of their import authorization to reflect changes involving two Repurchasers. First, Long Island Lighting Company transferred its entire interest in its ANE gas sales agreements to KeySpan Gas East Corporation d/b/a Brooklyn Union of Long Island on May 28, 1998. Second, on July 2, 1998, Yankee Gas Services Company (Yankee) partially withdrew from the ANE project.^{5/} At this time, Yankee is no longer required or entitled to buy from ANE natural gas which ANE purchases from TCGS under Gas Purchase Contract Nos. 1 and 2, dated February 7, 1991, as amended.

II. FINDING

Under section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), the importation 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 ANE Repurchasers' application to amend their current authority to import natural gas produced in 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.

^{5/} In DOE FE Opinion and Order No. 368-C, issued March 18, 1991 (1 FE ¶ 70,426), the authorization originally granted to Connecticut Light and Power Company to import a combined total of approximately 51,900 Mcf of natural gas per day was transferred to Yankee.

ORDER

For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. The import authorization conferred to Long Island Lighting Company by DOE/FE Opinion and Order Nos. 368 (Order 368), and 368-A, (Order 368-A) issued January 11, 1990, and November 15, 1990, respectively, as amended, is transferred to KeySpan Gas East Corporation (KGEC), doing business as Brooklyn Union of Long Island, effective the date of this Order. KGEC shall be bound by all terms and conditions set forth in Orders 368 and 368-A, *et seq.*

B. Order 368 and 368-A, as amended, are further amended to rescind the authorization granted to Yankee Gas Services Company to import a total of 39,950 Mcf per day of Canadian natural gas which is purchased by Alberta Northeast Gas Limited (ANE) from TransCanada Gas Services pursuant to Gas Purchase Contract Nos. 1 and 2, dated February 7, 1991. Consequently, the maximum volume of natural gas the Repurchasers may jointly import from ANE is hereby reduced from 397,100 Mcf per day to 357,150 Mcf per day.

C. All other terms and conditions contained in Order 368 and 368-A, as amended, will remain in full force and effect.

Issued in Washington, D.C., on November 23, 1999.

John W. Glynn
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy