

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

NEW YORK STATE ELECTRIC & GAS CORPORATION)

FE DOCKET NO. 04-50-NG

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

DOE/FE ORDER NO. 1981

MAY 7, 2004

I. DESCRIPTION OF REQUEST

On May 4, 2004, New York State Electric & Gas Corporation (NYSEG) 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 50 billion cubic feet (Bcf) of natural gas from and to Canada. The applicant requests the authorization be granted for a two-year term beginning on July 1, 2004. NYSEG is a New York corporation with its principal place of business in Binghamton, New York.

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 NYSEG 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 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. New York State Electric & Gas Corporation (NYSEG) is authorized to import and export up to a combined total of 50 billion cubic feet of natural gas from and to Canada. The term of the authority will begin on July 1, 2004, and extend through June 30, 2006.

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

C. With respect to the natural gas imports and exports authorized by this Order, NYSEG shall file with the Office of Natural Gas & Petroleum Import & Export 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 no imports and exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports and 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 October 30, 2004, and should cover the period from July 1, 2004, until the end of the third calendar quarter, September 30, 2004.

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

Issued in Washington, D.C., on May 7, 2004

Sally Kornfeld
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