

[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 15-14-NG]

Bear Head LNG Corporation and Bear Head LNG (USA), LLC; Application for Long-Term, Multi-Contract Authorization to Import Natural Gas from, for Subsequent Export to, Canada for a 25-Year Term

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on January 23, 2015, by Bear Head LNG Corporation and Bear Head LNG (USA), LLC (collectively, Bear Head),¹ requesting long-term, multi-contract authorization to import up to 250 billion cubic feet per year (Bcf/yr) of natural gas (approximately 0.7 Bcf per day (Bcf/d)) by pipeline from Canada, for subsequent export by pipeline to Canada, for a 25-year term to commence on the earlier of the date of first export or 10 years from the date the authorization is granted. Bear Head states that this requested authorization is necessary to access Canadian gas supplies that must be imported by pipeline from Canada to the United States to reach demand markets in Nova Scotia through the Maritimes & Northeast (M&N) Pipeline. Bear Head further states that this Application is being filed with DOE/FE in connection with the development of a proposed Canadian natural gas liquefaction and export facility currently being developed by Bear Head within the Point Tupper/Bear Head

¹ Bear Head states that Bear Head Corp. is a Canadian company incorporated pursuant to the laws of Nova Scotia, and that Bear Head (USA) is a Delaware limited liability company. Both have their principal place of business in Houston, Texas, and both are wholly-owned indirect subsidiaries of Liquefied Natural Gas Limited, a publicly listed Australian company based in Perth, Australia.

Industrial Park near the town of Port Hawksbury, on the Straight of Canso, in Richmond County, Cape Breton, Nova Scotia, Canada (Project). Bear Head states that the Canadian natural gas subject to the requested authorization will be used as feedstock for the production of liquefied natural gas (LNG) at the Project.² Bear Head seeks to import and export this Canadian natural gas on its own behalf and as agent for other entities who hold title to the LNG at the time of export. The Application was filed under section 3 of the Natural Gas Act (NGA). Additional details can be found in Bear Head's Application, posted on the DOE/FE website at:

http://energy.gov/sites/prod/files/2015/01/f19/15_14_ng_Bear_Head.pdf

Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the

Public Comment Procedures section no later than 4:30 p.m., Eastern time, [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES:

Electronic Filing of Comments Using Online Form:

<http://www.energy.gov/node/1045041/>

Electronic Filing of Protests, Motions to Intervene, and Notices of Intervention:

fergas@hq.doe.gov

Regular Mail

U.S. Department of Energy (FE-34)

² See Application at 6. On February 25, 2015, Bear Head filed a separate application with DOE/FE requesting long-term, multi-contract authorization to export domestically produced natural gas as follows: (i) to export the natural gas by pipeline to Canada at the United States-Canada border (at a point near Calais, Maine, and St. Stephen, New Brunswick, respectively) on the M&N Pipeline in a volume of 440 Bcf/yr of natural gas (1.2 Bcf/d); (ii) to use approximately 42.4 Bcf/yr of the U.S.-sourced natural gas as feedstock in the Project; and (iii) to export a portion of the U.S.-sourced natural gas in the form of LNG in a volume equivalent to approximately 397.6 Bcf/yr of natural gas (1.1 Bcf/d) by vessel from Nova Scotia, Canada, to one or more countries with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (non-FTA countries). That application is pending before DOE/FE in FE Docket No. 15-33-LNG, and is the subject of a notice being published in the *Federal Register* concurrently with this Notice. See also *infra* at 3 (DOE/FE Evaluation).

Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
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Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
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FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

DOE/FE Evaluation

Bear Head asserts that DOE/FE should grant the requested authorization under section 3(c) of the NGA, 15 U.S.C. § 717b(c), because Canada is a nation with which the United States has a FTA requiring national treatment for trade in natural gas.³ According to Bear Head, however, “[t]he Project is proposed for the purpose of exporting North American LNG to foreign

³ See Application at 2-3.

markets.”⁴ Therefore, DOE/FE requests comment on whether section 3(c) of the NGA or section 3(a) of the NGA, 15 U.S.C. § 717b(a), provides the appropriate standard for review of the Application. Parties that may oppose this Application may address this issue in their comments and/or protests, as well as any other issues deemed relevant to the Application.

Public Comment Procedures

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Due to the complexity of the issues raised by the Applicant, interested parties will be provided 60 days from the date of publication of this Notice in which to submit their comments, protests, motions to intervene, or notices of intervention.

Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR Part 590, as supplemented below.

Comments may be submitted using one of the following supplemental methods: (1) submitting the comments using the online form at <http://www.energy.gov/node/1045041/>; (2) mailing an original and three paper copies of the comments to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the comments to the Office of Oil and Gas Global Security and Supply at

⁴ *Id.* at 4-5; *see also id.* at 2 n.6 (“Once constructed, the Project will be capable of receiving, processing and liquefying natural gas ... and loading LNG onto ocean-going vessels for delivery to export markets.”). *See also supra* at 2 n.2.

the address listed in **ADDRESSES**. For administrative efficiency, DOE/FE prefers comments to be filed electronically using the online form (method 1). However, for those commenters lacking access to the Internet, comments may be filed in hard copy using one of the other two methods identified above. All filings must include a reference to FE Docket No. 15-14-NG.

Protests, motions to intervene, and notices of intervention (including those consolidated with comments) may be submitted using one of the following supplemental methods:

(1) e-mailing the filing to fergas@hq.doe.gov, with FE Docket No. 15-14-NG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Oil and Gas Global Supply at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 15-14-NG. PLEASE

NOTE: If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely manner. Any hardcopy filing submitted greater than 50 pages in length must also include, at the time of the filing, a digital copy on disk of the entire submission.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record,

including the Application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The Application is available for inspection and copying in the Division of Natural Gas Regulatory Activities docket room, Room 3E-042, 1000 Independence Avenue, SW., Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE Web address:

<http://www.fe.doe.gov/programs/gasregulation/index.html>.

Issued in Washington, D.C., on April 10, 2015.

John A. Anderson

Director, Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas