

In-Transit FAQs

Some things about reporting In-Transit natural gas shipments are changing. On August 30, 2016, DOE published in the Federal Register a [Notice of Revised Procedures Affecting Applications and Authorizations for the In-Transit Movement of Natural Gas](#). Entities involved in importing and/or exporting natural gas, whether or not engaging in In-Transit shipments, may have questions about the revised procedures.

The most common questions (and their answers) are provided below. Please take a few moments to see if the answer you need is in this list. However, we're here to help, so please also feel free to contact us with any questions!

Q1:What exactly is an In-Transit shipment of natural gas, according to DOE?

A: DOE considers an “in-transit shipment returning to the country of origin” as a shipment of natural gas through the United States between points of a single foreign nation, or through a single foreign nation between points in the United States, that are physical and direct.

- “Physical” means that the natural gas will be transported between two cross-border points. Thus, exchanges by backhaul or displacement, or other virtual shipments, do not qualify as in-transit shipments for purposes of these procedures.
- “Direct” means that the natural gas must not be diverted for other purposes but must travel a commercially reasonable path between points in one country consistent with an intention merely to transit the other country.
- And, consistent with the U.S. Customs and Border Patrol regulations concerning in-transit shipments,¹ to qualify as “in-transit” the natural gas must cross points of entry and exit at the United States border within a 30-day period.

Q2:Why is DOE/FE changing its In-Transit reporting procedures now?

A: In [DOE/FE Order No. 3769](#), issued February 5, 2016, DOE ruled that In-Transits are not actually imports or exports, but a separate category of natural gas shipment. In that order, DOE also stated that In-Transits must still be reported. Therefore, reporting obligations for In-Transits need to be clarified.

In the order, *Bear Head LNG Corporation & Bear Head LNG, LLC*, Opinion and Order Dismissing Application for In-Transit Shipments of Canadian-Sourced Natural Gas and Directing Submission of Information Concerning In-Transit Shipments Returning to the Country of Origin, DOE concluded that “in-transit shipments returning to the country of origin are not imports or exports within the

¹ See 19 C.F.R. §§ 18.31, 18.2(c)(2).

meaning of section 3 of the Natural Gas Act.” Consequently, DOE concluded “that in-transit shipments returning to the country of origin fall outside [DOE’s] jurisdiction under NGA section 3.”

Q3: Does everyone involved In-Transits have to report?

A: No. Only the entity (e.g., company) that is causing the shipment to occur has to report. For example, if a pipeline shipper nominates gas to move on a pipeline, the shipper should report since it is “causing” the shipment to occur, not the pipeline company that is physically transporting the gas (unless the pipeline is shipping on its own account).

Q4: Are things changing for reporting on natural gas imports or exports, too?

A: No. Reporting requirements for imports and exports are staying the same and continue to require an authorization from DOE. Only the kinds of natural gas shipments described above have to be reported as In-Transits.

Q5: I’ve been reporting In-Transits to DOE/FE for a long time. Should I just keep doing what I’ve been doing, or should I stop?

A: You still have to report In-Transits. Companies that currently use import and export authorizations to report In-Transits may continue to report that way, even under future import and export authorizations.

If you currently have an authorization only for In-Transits, you can continue to report the same way until that authorization expires. No new authorizations dedicated solely to in-transit shipments will be issued. You do not need to apply for new import and export authorizations if you only plan to make In-Transit shipments (i.e., no plans for imports or exports).

Q6: Can I still use the “sample format” form on DOE’s website?

A: Yes, you can, if you wish. If you’re reporting under an authorization (see Q5, above), you can use the information for that authorization.

If you’re reporting In-Transits by themselves (i.e., not reporting them along with imports and/or exports) and so you don’t have a DOE docket number or order number, and don’t have either a long-term or short-term order, those portions of the sample format form may be omitted.

The sample format can be found [here](#).

Q7:I'm going to start moving natural gas for the first time, and I may make In-Transit shipments. What should I do?

A: It may depend on whether you'll only be making In-Transit shipments or if you'll also be making import and/or export shipments.

If you'll also be making import and/or export shipments, you'll need to apply for an authorization from DOE. Once you get it and have In-Transit shipments, you may (if you want) report In-Transits under the authorization. You'll need to specify which shipments are which, and provide the specific In-Transit information for In-Transit shipments (see Q8, below).

You may also report your In-Transits separately from your imports/exports, if you prefer. You'll need to supply DOE with the information specified below. If you'd like to use DOE's sample format, it can be found [here](#).

If you'll only be doing In-Transits, you don't need to apply to DOE. But you do have to report In-Transit shipments. The information you need to include is listed below (or, again, you may use DOE's sample format, found [here](#).)

Q8:What exactly are the requirements for reporting In-Transits?

A: Reports are due not later than the 30th day of the month following the month of completion of an in-transit shipment. The report must give the following details of each In-Transit, including cases where natural gas originates from the United States and undergoes in-transit shipment, and where natural gas originates in another country and transits the United States:

- (1) the name of the country that is both the origin and final destination
- (2) the name of the country through which the gas is transported before returning to the origin country (the transit country - this may be either the United States or another country)
- (3) the initial border crossing point
- (4) the foreign pipeline at the initial border crossing point
- (5) the U.S. pipeline at the initial border crossing point
- (6) the final border crossing point
- (7) the foreign pipeline at the final border crossing point
- (8) the U.S. pipeline at the final border crossing point
- (9) the volume of natural gas moving through the final border crossing point
- (10) the month and year in which the in-transit shipment took place
- (11) the name of the entity that has title to the natural gas during the in-transit movement
- (12) the name of the individual who prepared the report
- (13) contact information

Q9:Can I ask an actual person if I have more questions?

A: Yes, of course! We'd be glad to answer any In-Transit questions you may have. We can be reached at NGReports@hq.doe.gov. Please provide your phone number if you'd like us to call you.