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FE Dkt. No 15-165-LNG

Benjamin Nussdorf, Esquire
Ms. Larine Moore
Office of Natural Gas Regulatory Activities
U.S. Department of Energy
Forrestal Building, Docket Room 3E-042 (FE34)
P.O. Box 44375
1000 Independence Avenue S.W.
Washington, D.C. 20026-4375

Re: Application of Irving Oil Commercial GP and Irving Oil Terminals
Operations Inc. for Long-Term Authorization to Ship Natural Gas to and from
Canada

Dear Mr. Nussdorf and Ms. Moore:

Pursuant to Section 3 of the Natural Gas Act of 1938 (15 U.S.C. § 717b), DOE Delegation Order Nos. 0204-111 and 2404-127, and the Regulations of the Department of Energy ("DOE") set forth in 10 C.F.R. Part 590, Irving Oil Commercial GP and Irving Oil Terminals Operations Inc. ("the Company") hereby submit this Application for Long Term Authorization to Ship Natural Gas to and from Canada.

Pursuant to 10 C.F.R. Section 590.202(e) and in accordance with Section 590.1004.11 of the DOE regulations, the Company is providing two versions of the documents. The first provides the relevant information required by the DOE for such submissions and copies of the executed contracts supporting the application. The submission contains "business confidential" information and is labeled as "**Confidential Version**" The second submission is a shorter version of the application with the "business confidential" information deleted. It is marked as the "**Public Version**." Except for the business confidential deletions, the two versions are essential identical.

Only the **Public Version** is being submitted in this transmission electronically. The **Confidential Version** and supporting documentation are being mailed today to DOE.

The Company asks that the **Confidential Version** containing business confidential information be afforded confidential treatment and exempted from public disclosure under the Freedom of Information Act, 5 U.S.C. Section 552(b)(4) for the

following reasons: (1) This information has been held in confidence by the parties to the proposed transactions; (2) It is the type of information customarily held in confidence by the parties to such transactions; (3) The information is provided to the Department in confidence to obtain the necessary permit authorizing the exportation of natural gas to Canada; (4) The deleted information contained in the application and supporting contracts are not available from public sources; (5) Disclosure would cause substantial harm to the Company's competitive position in the market. Accordingly, disclosure is not in the public interest. Indeed, the Company is very concerned that if the information were made public, other entities would be reluctant to do business with it.

Finally, a check in the amount of \$50.00 is also submitted in connection with the application.

Thank you for your assistance. If you have any questions, please contact the undersigned.

Respectfully submitted



Andrea Grant
Martin Schaefermeier
Counsel to
Irving Oil Commercial GP
Irving Oil Terminals Operations Inc.

APPLICATION OF IRVING OIL COMMERCIAL GP AND
IRVING OIL TERMINALS OPERATIONS INC. FOR
LONG-TERM AUTHORIZATION TO SHIP NATURAL
GAS TO AND FROM CANADA

PUBLIC VERSION

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

In the Matter of:

Irving Oil Commercial GP and Oil
Terminals Operations Inc.

Docket No. _____

**APPLICATION OF IRVING OIL COMMERCIAL GP and IRVING OIL
TERMINALS OPERATIONS INC. SEEKING LONG-TERM AUTHORIZATION FOR
NATURAL GAS SHIPPED TO AND FROM CANADA**

Pursuant to Section 3 of the Natural Gas Act of 1938 (“NGA”) (15 U.S.C. §717b), DOE Delegation Order Nos. 0204-111 and 2404-127, and the Regulations of the Department of Energy set forth in 10 C.F.R. Part 590, Irving Oil Commercial GP of New Brunswick, Canada and Irving Oil Terminals Operations Inc.¹ of Portsmouth, New Hampshire (collectively, the “Company”) hereby apply to the United States Department of Energy (“DOE”) for a Long-Term Authorization for Natural Gas shipped to and from Canada. The applicants request such authorization for approximately 22 billion cubic feet (“Bcf”) ² of natural gas each year for a term of 15 years beginning on November 1, 2017 on its own behalf and as agent for third-parties. While the Company does not plan on shipping natural gas until November

¹ Irving Oil Terminals Operations Inc. of Portsmouth, New Hampshire is a U.S. entity incorporated under the laws of the State of Delaware. In this proceeding, it is acting in its own capacity as an applicant and also as an agent for its sister entity, Irving Oil Commercial GP, pursuant to the DOE’s Notice of Procedure. See, 80 Fed. Reg. 11664 (March 4, 2015).

² Approximately 9.83 Bcf of natural gas would be shipped from Canada to the United States and approximately 11.8 Bcf of natural gas would be purchased in the U.S. from U.S. sources. The Company would then ship approximately 22 Bcf of natural gas to Canada. At times, it is possible that some of the natural gas would remain in the United States.

2017, the provisions in its supply and pipeline agreements require that the necessary export and import authorizations from the United States and Canadian Governments be in place as soon as possible.

In support of this application, the applicants submit the following:

I. General Information

Under Section 3(c) of the NGA, this application for natural gas shipped to and from Canada, an FTA-nation requiring national treatment for trade in natural gas, is entitled to the statutory presumption that such shipments "shall be deemed to be consistent with the public interest, and applications for such importation and exportation shall be granted without modification or delay." 15 U.S.C. § 717b(c).

The names and contact information of the persons to whom correspondence and communications in regard to this application are to be addressed are as follows:

Irving Oil contact information:

Byron MacDonald
Irving Oil
10 Sydney Street
Saint John, New Brunswick, Canada E2L
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Email: Byron.macdonald@irvingoil.com

Counsel contact information:

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500 8th St. NW
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Phone: (202) 799-4306
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Email: andrea.grant@dlapiper.com

II. Applicants

Irving Oil Commercial GP and Irving Oil Terminals Operations Inc., sister entities, are the applicants in this case and are referred to hereafter as the "Company."

Irving Oil Commercial GP is a wholly-owned subsidiary of Irving Oil Limited of Saint John, New Brunswick, Canada. Irving Oil Commercial GP acts as a

principal operating arm for the parent company, Irving Oil Limited. Its principal place of business is Saint John, New Brunswick, Canada.

Irving Oil Terminals Operations Inc. is a U.S. entity incorporated under the laws of the State of Delaware. It markets refined petroleum products and natural gas in the United States. Its principal place of business is located at 190 Commerce Way, Portsmouth, New Hampshire 03801.

Irving Oil Limited is the ultimate parent company. It is a Canadian entity, established in the 1920s, with significant energy operations – refining, distribution and marketing of crude oil, refined petroleum products, and natural gas. Its principal place of business is Saint John, New Brunswick, Canada.

III. Authorization Requested

The Company is seeking authority to ship approximately 22 Bcf of natural gas each year. The natural gas will be used at the Irving refinery in Saint John, New Brunswick, Canada, its co-generation power plant, other Irving businesses in Canada, or sold to other third-party Canadian customers for consumption in Canada. This annual volume is the total amount sought to be exported from the transactions discussed below.

IV. Proposed Transactions (See Attached Summary)

A. Transaction 1

Irving Oil Commercial GP has negotiated a supply agreement with a supplier in Canada. The supply agreement allows the supplier to source the natural gas from a variety of locations. The supplier has a portfolio of natural gas supply, storage and transportation contracts that it may use to provide natural gas to Irving Oil

Commercial GP. The natural gas could originate from western and central Canada or from the Marcellus supply basin (located in the Northeast United States) having been shipped from the U.S. to Canada.

Irving Oil Commercial GP plans to buy approximately 9.83 Bcf of natural gas each year and will purchase the natural gas on the TransCanada Pipeline system. The natural gas will then be shipped, via TransCanada's Pipeline System (including the TransQuebec & Maritimes Pipeline, operated by TransCanada) to the United States. Title to the natural gas will pass to Irving Oil Terminals Operations Inc. in the U.S. as it crosses the Canadian/U.S. border.

Following receipt in the U.S., Irving Oil Terminals Operations Inc. will transport the natural gas on the Portland Natural Gas Transmission System through Maine and onto the Maritimes & Northeast Pipeline (U.S.). When the natural gas reaches U.S./Canadian border in Baileyville, Maine, Irving Oil Terminals Operations Inc. will sell most of the natural gas back to Irving Oil Commercial GP (the Canadian entity) which will then take it to Canada on the Maritimes & Northeast Pipeline (Canada).

The natural gas will be used in the Irving's Saint John, New Brunswick refinery, its co-generation power plant, other Irving businesses or sold to third-party Canadian customers. Irving Oil Terminals Operations Inc. will sell any of the natural gas that remains in the United States to U.S. customers.

B. Transaction 2

Irving Oil Terminals Operations Inc. has negotiated two supply agreements. It plans to purchase annually approximately 11.8 Bcf of natural gas from two different

suppliers. Both suppliers have a portfolio of U.S. sourced gas supply, storage and transportation contracts that may be used to provide natural gas to Irving Oil Terminals Operations Inc. Natural gas may be delivered from one of several pipelines (Iroquois Gas Transmission, Millennium Pipeline, or Tennessee Gas Pipeline) by the suppliers into Algonquin Gas Transmission.

Irving Oil Terminals Operations Inc. will take title to the natural gas on the Algonquin Gas Transmission line owned by Spectra Energy Partners. From there, it will be shipped to the Boston area where it will be transferred to the Maritimes & Northeast Pipeline (U.S.); a line also owned by Spectra Energy Partners. It will travel through Maine and up to Canada.

Irving Oil Terminals Operations Inc. will sell the natural gas to Irving Oil Commercial GP (the Canadian entity) in the United States, at the U.S./Canadian border in Baileyville, Maine. From there, Irving Oil Commercial GP will ship it to Canada.

As with Transaction 1, the natural gas will be used by the Irving refinery in Saint John, New Brunswick, its co-generation power plant, other Irving businesses, or sold to third-party Canadian customers.

V. Finding Relating to the "Public Interest"

The Energy Policy Act provides that the importation and exportation of natural gas from or to a nation with which there is in effect a free trade agreement that requires national treatment for trade in natural gas shall be deemed to be consistent with the public interest, and that applications for such importation and exportation shall be granted without modification or delay. This request meets that standard.

The United States and Canada have a free trade agreement that requires national treatment with regard to trade in natural gas. Therefore, the Company submits that its request is consistent with the public interest.

VI. Environmental Impact

The Company will not engage in the construction of any pipelines or facilities to complete the proposed transactions. Thus, granting this application will not be a federal action significantly affecting the quality of human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, et seq.

However, the pipeline systems with which the Company has contracted, as described above, are currently expanding capacity and/or seeking regulatory approval for new pipeline projects. These pipeline systems will be the subject of their own environmental assessment and the pipelines are responsible for obtaining permits necessary to authorize the expansions and/or modifications of the existing pipelines. Because these pipeline projects are the subject of their own environmental assessment, and this application will not by itself result in any action that has an environmental impact, an environmental impact statement or environmental assessment is not required.

VII. Reporting Requirements

The Company agrees to file quarterly reports applicable to the activities requested in this application.

VIII. Conclusion

Based on the foregoing, Irving Oil Commercial GP and Irving Oil Terminals Operations Inc., hereby request that the Department –

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1. Find that the application seeking long-term authority is consistent with the public interest; and
2. Grant the Company authority to ship approximately 22 Bcf of natural gas each year, as described above, for a period of 15 years, beginning November 1, 2017, on its own behalf and as agent on behalf of third-parties.

Respectfully submitted,



Andrea Grant
Martin Schaefermeier
Counsel for
Irving Oil Commercial GP and
Irving Oil Terminals Operations Inc.

Anticipated Transactions

Transaction 1

Irving Oil Commercial GP (the Canadian entity) is in the process of negotiating a supply agreement with its sister entity, Irving Oil Terminals Operations Inc. (the U.S. entity). Irving Oil Commercial GP will purchase Canadian or U.S. natural gas in Canada and ship it to the United States. As it crosses the border, Irving Oil Terminals Operations Inc. will take title. Irving Oil Terminals Operations Inc. will ship the natural gas up through Maine. At Baileyville, Maine, Irving Oil Terminals will sell most of the natural gas back to Irving Oil Commercial GP, and Irving Oil Commercial GP will ship it to Canada. The natural gas will be used by Irving Oil at its refinery or other facilities in Canada or sold to third parties for use in Canada. Irving Oil Terminals Operations Inc. will sell any natural gas remaining from the transaction to customers in the United States.

Transaction 2

Irving Oil Terminals Operations Inc. has negotiated two supply agreements. It plans to purchase annually approximately 11.8 Bcf of natural gas from two different suppliers, DTE Energy Trading, Inc. and Shell Energy. The contracts run for a period of 10 to 15 years. Both suppliers have a portfolio of U.S. sourced gas supply, storage and transportation contracts that may be used to provide natural gas to Irving Oil Terminals Operations Inc.

Irving Oil Terminals Operations Inc. will purchase the natural gas on the Algonquin Gas Transmission line. The natural gas will be shipped to the Boston area where it will be transferred to the Maritimes & Northeast Pipeline (U.S.). It will travel through Maine and up to Canada. Irving Oil Terminals Operations Inc. will sell the natural gas to Irving Oil Commercial GP in the United States, at Baileyville, Maine. From there, Irving Oil Commercial GP will export it to Canada. The transactions will begin in November 2017.

APPENDIX A

VERIFICATION

DISTRICT OF COLUMBIA

I, Andrea Grant, being duly sworn on oath, hereby affirm that: I am a duly authorized representative of Irving Oil Terminals Operations Inc. and Irving Oil Commercial GP.. I am familiar with the contents of Application for Long-Term Authorization To Ship Natural Gas To and From Canada; and, the matters set forth in the Application are true and correct to the best of my knowledge, information, and belief.

Dated: October 20, 2015

Respectfully submitted,

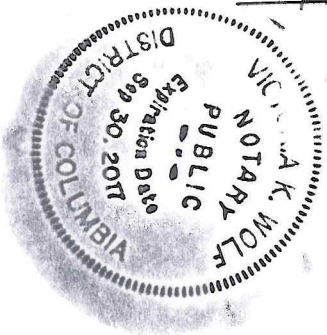
By: Andrea J. Grant
Andrea Grant

Sworn to and subscribed before me, a Notary Public in and for the District of Columbia on this 20th day of October 2015.

Victoria K. Wolf

My commission expires:

9/30/2017



APPENDIX B
OPINION OF COUNSEL

June 9, 2015

Mr. John A. Anderson
Director, Division of Natural Gas Regulatory Activities
Office of Fossil Energy
U.S. Department of Energy
1000 Independence Ave. SW
Washington, D.C. 20585

Re: Application of Irving Oil Terminals Operations Inc. for Long-Term
Authorization to Import Natural Gas From Canada

Dear Mr. Anderson:

This opinion is submitted pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. §590.202(c), and the Application of Irving Oil Terminals Operations Inc. (the "Company"), for Long-Term Authorization To Import Natural Gas From Canada. As outside counsel to the Company, we have reviewed the Governance Documents of the Company which we regularly maintain at the request of the Company and we are of the opinion that the proposed imports as described in the application are within the corporate powers of the Company.

Very truly yours,



John S. Upton

PHILIP C. HUNT
JOHN S. UPTON
PEGGY L. McGEHEE
MELISSA HANLEY MURPHY
JOHN A. HOBSON
JAMES N. KATSIARICAS
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AB-498

June 10, 2015

Mr. John A. Anderson
Director, Division of Natural Gas Regulatory Activities
Office of Fossil Energy
U.S. Department of Energy
1000 Independence Ave. SW
Washington, D.C. 20585

Dear Mr. Anderson:

Re: Application of Irving Oil Terminals Operations Inc. as Agent for Irving Oil
Commercial G.P. for Long-Term Authorization To Export Natural Gas to
Canada

This opinion is submitted pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. §590.202(c), and the Application of Irving Oil Terminals Operations Inc. as Agent for Irving Oil Commercial G.P. (the "Partnership"), for Long-Term Authorization To Export Natural Gas to Canada. As counsel to the Partnership, I have reviewed the Governance Documents of the Partnership and am of the opinion that the proposed exports as described in the application are within the powers of the Partnership.

Yours very truly,
McINNES COOPER

Christopher A Borden

CAB/cal