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January 16, 2018

Ms. Beverly Howard
Division of Natural Gas Regulation
Office of Fossil Energy
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

15-165-LNG

Re: Request for Amendment to Long-Term Natural Gas License – Order 3765A – and Notification

Dear Ms. Howard:

As we discussed, Irving Oil Commercial GP, a Canadian entity, and its sister U.S. entity, Irving Oil Terminals Operations LLC (collectively “Irving”) hereby request that the Office of Fossil Energy (FE) of the Department of Energy (“DOE”) amend Order 3765-A. Such an amendment would provide that beginning November 1, 2018, Irving would be permitted to (i) import up to 14 billion cubic feet (“Bcf”) of natural gas per year into the United States (the current Order authorizes the importation of up to 10 Bcf), and (ii) export up to 26 Bcf of natural gas per year to Canada (the current Order authorizes the exportation of up to 22 Bcf). Further to reflect these changes, Irving requests that the Order be extended one year (the current Order authorizes these imports and exports for a term of 15 years beginning November 1, 2017).

In addition, Irving asks that this letter serve as notification to DOE that –

(i) imports and exports of up to 10 Bcf of natural gas per year from and to Canada, authorized by Order 3765, were delayed by about one month and did not begin until December 1, 2017 instead of the originally-contemplated November 1, 2017. See description of Transaction 1 under “Background” below; and

(ii) exports up to 12 Bcf of natural gas per year from the United States to Canada, also authorized by Order 3765, have been delayed until November 1, 2018. See description of Transaction 2 under “Background” below.

I. Background

In 2015, Irving applied for a long-term license to import and export natural gas from and to Canada. On December 31, 2015, FE issued Order 3765. Specifically, the Order authorized two contemplated transactions:

A. Transaction No. 1

Under the first transaction, Irving Oil Commercial GP would purchase Canadian or U.S. natural gas in Canada on the TransCanada Pipeline system. It would take title at Parkway, Ontario. Subsequently, as the natural gas crossed the border into the United States, Irving Oil Commercial GP would then sell the natural gas to Irving Oil Terminals Operations Inc., and Irving Oil Terminals Operations Inc. would enter the natural gas at Pittsburg, New Hampshire.

Irving Oil Terminals Operations Inc. would then ship the natural gas through Maine for delivery to Baileyville, Maine. When the natural gas reached the U.S./Canada border in Baileyville, Irving Oil Terminals Operations Inc. would sell back most of the natural gas to Irving Oil Commercial GP, and the product would be exported to Canada. It would be used by Irving at its refinery in Saint John, New Brunswick, its co-generation power plant, other Irving businesses in Canada, and/or sold to third-parties for use in Canada.

B. Transaction No. 2

Under the second transaction, Irving Oil Terminals Operations Inc. would purchase natural gas from two entities being transported on the Algonquin Gas Transmission line. The natural gas would be shipped to the Boston area and eventually travel through Maine to Canada. When the natural gas arrived at Baileyville, Maine, Irving Oil Terminals Operations Inc. would sell the natural gas to Irving Oil Commercial GP. Irving Oil Commercial GP would then export the natural gas to Canada. It would be used by Irving at its refinery in Saint John, New Brunswick, its co-generation power plant, other Irving businesses in Canada, and/or sold to third-parties for use in Canada.

C. Authorization and Effective Date

Under Order 3765, Irving was authorized to import up to 10 Bcf of natural gas per year from Canada into the United States and to export up to 22 Bcf of natural gas per year from the United States to Canada. Both transactions were to begin on November 1, 2017.

D. Change in Name

On September 30, 2017, Irving Oil Terminals Operations Inc. changed its name to Irving Oil Terminals Operations LLC. This change occurred because the entity was converted to a limited liability company. Shortly thereafter, Irving applied for an

amendment to Order 3765 to reflect the name change. On October 27, 2017, FE issued Order 3765-A. That Order reflected the change and indicated that but for the name change, the terms and conditions of Order 3765 remain in force.

II. Request for Amendment

A. Increase in Import Authority

On December 1, 2017, Irving began importing and exporting up to 10 Bcf of natural gas per year pursuant to Order 3765-A. Irving has now arranged that, beginning November 1, 2018, it will increase its purchases in Canada from its current supplier on the TransCanada Pipeline by approximately 4 Bcf of natural gas per year. Based on that increase, Irving is planning to import up to 14 Bcf of natural gas per year (10 Bcf from the original purchase and 4 Bcf from the increased purchase).

Accordingly, Irving hereby requests that FE amend Order 3765-A and (1) maintain the authorization for imports from Canada up to 10 Bcf of natural gas per year beginning December 1, 2017; (2) authorize imports from Canada up to 14 Bcf of natural gas per year beginning November 1, 2018; and (3) grant the latter authorization for a 15-year term beginning November 1, 2018. The natural gas will be used by Irving at its refinery in Saint John, New Brunswick, its co-generation power plant, other Irving businesses in Canada, and/or sold to third-parties for use in Canada.

B. Delay in Certain Volumes of Exports of Natural Gas and Increase in Export Authority

Irving had planned on purchasing natural gas in the United States and exporting up to 22 Bcf of natural gas per year from the U.S. to Canada beginning on November 1, 2017. (The 22 Bcf reflects up to 10 Bcf from Transaction 1 and up to 12 Bcf from Transaction 2). However, the U.S. purchases of natural gas have been postponed by about one year.

Accordingly, Irving hereby requests that FE amend Order 3765-A and (1) maintain the authorization for exports to Canada up to 10 Bcf of natural gas per year beginning December 1, 2017; (2) authorize exports to Canada of up to 26 Bcf of natural gas per year beginning November 1, 2018; and (3) grant the latter authorization for a 15-year term beginning November 1, 2018.

III. Administrative Compliance

A hard copy of this letter and a check for \$50 processing fee have been sent by overnight courier to the Office of Fossil Energy.

Irving would be pleased to respond to any questions you may have regarding this Request for Amendment to Order 3765-A.

Respectfully submitted,

A handwritten signature in blue ink that reads "Andrea Grant". The signature is fluid and cursive, with the first name "Andrea" and last name "Grant" clearly distinguishable.

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