

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SENECA RESOURCES CORPORATION

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FE DOCKET NO. 16-118-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA

DOE/FE ORDER NO. 3912

OCTOBER 31, 2016

I. BACKGROUND AND DESCRIPTION OF REQUEST

On August 25, 2016, Seneca Resources Corporation (Seneca Resources) filed an application (Application)¹ with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)² for long-term authorization to export up to total volume amount of 45.18 billion cubic feet (Bcf) of natural gas (which Seneca Resources states is equivalent to total volume amount of 18,000 million British Thermal Units (MMBtu) per day³), to Canada via pipeline, for a term of seven years and two months beginning on November 1, 2016. Seneca Resources proposes to export natural gas under a North American Energy Standards Board (NAESB) Base Contract for Sale and Purchase of Natural Gas (Agreement) dated November 6, 2015, and a Transaction Confirmation with BP Canada Energy Group ULC (BPCEG), dated November 12, 2015. Seneca Resources is a Pennsylvania corporation with its principal place of business in Pittsburgh, Pennsylvania. Seneca Resources is wholly-owned and controlled by National Fuel Gas Company. Seneca Resources is engaged in the exploration, development, and production of natural gas and oil reserves.

Pursuant to the NAESB Agreement and the Transaction Confirmation, Seneca Resources states that the natural gas will be transported to the export point at Niagara, New York on domestic interstate pipelines for sale at the Dawn Union trading hub in Ontario, Canada.

As part of its Application, Seneca Resources has filed with DOE/FE, under seal, all executed long-term contracts associated with the export of natural gas under the requested authorization, and has provided a redacted version for public inspection.

¹ Seneca Resources Corporation, Application for Long-Term Authorization to Export Natural Gas to Canada, FE Docket No. 16-103-NG (August 3, 2016) [hereinafter App.].

² Authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-006.02 issued on November 17, 2014.

³ App. at note 1, page 4.

II. FINDING

The Application has been evaluated to determine if the proposed import and/or 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, including liquefied natural gas (LNG), from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports or exports must be granted without modification or delay. The authorization sought by Seneca Resources to export natural gas 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.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Seneca Resources is authorized to export up to total volume amount of 45.18 Bcf of natural gas to Canada (equivalent to total volume amount of 18,000 MMBtu per day). The term of this authorization shall be effective for seven years and two months beginning on November 1, 2016, and extending through December 31, 2023, pursuant to the NAESB Agreement and Transaction Confirmation with BPCEG.

B. This natural gas will be delivered by pipeline to the U.S./Canadian border at Niagara, New York on domestic interstate pipelines for sale at the Dawn Union trading hub in Ontario, Canada, or at other mutually agreeable delivery points on the U.S./Canadian border.

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, Seneca Resources shall file with the Office of Regulation and International Engagement, within

30 days following the last day of each calendar month, a report indicating whether exports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of “no activity” for that month must be filed. If exports of natural gas have occurred, the report must give the following details: (1) the country of destination (2) the point(s) of exit; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); and (7) the estimated or actual duration of the supply agreement(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

D. The first monthly report required by this Order is due not later than December 30, 2016, and should cover the reporting period from November 1, 2016, through November 30, 2016.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Regulation and International Engagement, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to ngreports@hq.doe.gov, or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on October 31, 2016.



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Office of Oil and Natural Gas