

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NEW ENGLAND NG SUPPLY LIMITED

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FE DOCKET NO. 16-103-NG

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

DOE/FE ORDER NO. 3995

MARCH 7, 2017

## **I. DESCRIPTION OF REQUEST**

On August 3, 2016, New England NG Supply Limited (New England) filed an application (Application)<sup>1</sup> with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>2</sup> for long-term authorization to export natural gas to Canada via pipeline in a volume up to 0.014 billion cubic feet per day (Bcf/d), or 5.11 Bcf per year (Bcf/yr). New England requests this authorization for a term of five years (60 months) to commence on the later of: (1) November 1, 2017, and (2) the first day of the month immediately succeeding the commercial in-service date of the proposed Atlantic Bridge Project, as specified in Base Contract No. NAES23344, dated January 27, 2016, between New England and EQT Energy, LLC (the Agreement).<sup>3</sup> According to New England, the Atlantic Bridge Project has been jointly proposed by Algonquin Gas Transmission, LLC (Algonquin) and Maritimes & Northeast Pipeline L.L.C. (Maritimes).<sup>4</sup>

New England is a Canadian corporation with its principal place of business in Saint John, New Brunswick, Canada. New England states that it is a wholly-owned subsidiary of J.D. Irving, Limited, a family-owned, privately-held company organized and existing under the laws of the Province of New Brunswick, Canada.

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<sup>1</sup> New England NG Supply Limited, Application for Long Term Authorization to Export Natural Gas to Canada, FE Docket No. 16-103-NG (Aug. 3, 2016) [hereinafter App.].

<sup>2</sup> 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.

<sup>3</sup> App. at 2. New England attached the Agreement as Exhibit B to its Application. New England states that the Agreement will be deemed null and void unless the commercial in-service date of the Atlantic Bridge Project has occurred no later than November 30, 2019. App. at 3.

<sup>4</sup> New England states that Spectra Energy Partners maintains a 77.53% ownership interest in the Maritimes & Northeast Pipeline, and is the sole owner of Algonquin Gas Transmission, LLC. Algonquin and Maritimes jointly filed an application with the Federal Energy Regulatory Commission (FERC) for a certificate of public convenience and necessity to construct and operate the Atlantic Bridge Project. App. at 3 n.2. We take administrative notice that, on January 25, 2017, FERC granted their joint application in an “Order Issuing Certificate and Authorizing Abandonment” in FERC Docket No. CP16-9-000.

Pursuant to the Agreement, the delivery point for the natural gas purchased by New England will be Tennessee Gas Pipeline Company L.L.C.'s delivery meter located at its Mahwah Interconnect with Algonquin in Mahwah, New Jersey. New England states that all of the natural gas purchased under the Agreement will have a U.S. source. The point of exit for the natural gas will be the United States/Canadian border near Baileyville, Maine. New England further states that, from the delivery point in Mahwah, New Jersey, to the point of exit on the United States/Canadian border, all natural gas will be transported on facilities owned by Algonquin and Maritimes.<sup>5</sup>

As part of its Application, New England 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.

## **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 New England 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.

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<sup>5</sup> App. at 3.

## ORDER

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

A. New England NG Supply Limited is authorized to export up to 0.014 Bcf/d of natural gas to Canada. The term of this authorization shall be effective for five years (60 months) beginning on the later of: (1) November 1, 2017, and (2) the first day of the month immediately succeeding the commercial in-service date of the Atlantic Bridge Project, as specified in Base Contract No. NAES23344, dated January 27, 2016.

B. This natural gas will be delivered by EQT Energy, LLC at Tennessee Gas Pipeline Company, L.L.C.'s delivery meter located at the Mahwah Interconnect with Algonquin in Mahwah, New Jersey.

C. **Monthly Reports:** With respect to the natural gas exports authorized by this Order, New England 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. The first monthly report required by this Order is due not later than the 30<sup>th</sup> day of the month following the month of first export.<sup>6</sup> In subsequent months, if exports have not occurred, 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

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<sup>6</sup> Under DOE regulations, New England is required to notify DOE/FE in writing when additional relevant information about the term of authorization is known—namely, the commercial in-service date of the Atlantic Bridge Project. *See* 10 C.F.R. § 590.407 (requiring “written notice, as soon as practicable, of any prospective or actual changes to the information submitted during the application process upon which the authorization was based ....”).

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. 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](mailto:ngreports@hq.doe.gov), or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on March 7, 2017.



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