UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

DOMINION ENERGY FUEL SERVICES, INC.) DOCKET NO. 17-68-NG (formerly VIRGINIA POWER ENERGY) DOCKET NO. 16-59-NG MARKETING, INC.))

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA AND VACATING PRIOR AUTHORIZATION

DOE/FE ORDER NO. 4045

I. <u>DESCRIPTION OF REQUEST</u>

On May 17, 2017, Dominion Energy Fuel Services, Inc. (DEFS) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to import and export up to a combined total of 60 billion cubic feet (Bcf) of natural gas from and to Canada via pipeline. The applicant requests the authorization be granted for a two-year term beginning on May 12, 2017. DEFS is a Virginia corporation with its principal place of business in Richmond, Virginia.

Previously, on May 20, 2016, DEFS (formerly Virginia Power Energy Marketing, Inc. (VPEI)) was granted authorization in DOE/FE Order No. 3835 to import and export natural gas from and to Canada for a two-year term beginning on July 1, 2016, and extending through June 30, 2018. On May 17, 2017, VPEI notified DOE/FE that, effective May 12, 2017, VPEI changed its name to Dominion Energy Fuel Services Inc. In this notification, VPEI requested that DOE/FE Order No. 3835 be cancelled effective May 11, 2017, and requested an effective date of May 12, 2017 for its new authorization.²

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

¹ The 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.

² Letter from Anne K. Dailey, Counsel for VPEI, to Larine Moore, Docket Room Manager, DOE/FE, May 17, 2017.

the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports and exports must be granted without modification or delay. The authorization sought by DEFS to import and export natural gas from and to Canada, a nation with which a free trade agreement requiring national treatment for trade in natural gas is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

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

- A. DEFS is authorized to import and export up to a combined total of 60 Bcf of natural gas from and to Canada, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term which began on May 12, 2017, and extends through May 11, 2019.
- B. This natural gas may be imported and exported by pipeline at any point on the border between the United States and Canada.
- C. Monthly Reports: With respect to the natural gas imports and exports authorized by this Order, DEFS 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 imports or 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 imports and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international

border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(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 June 30, 2017, and should cover the reporting period from May 12, 2017, through May 31, 2017.
- E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Division of Natural Gas Regulation, Office of Regulation and International Engagement, Office of Fossil Energy, 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.
- F. DEFS's blanket authorization to import and export natural gas from and to Canada, granted in DOE/FE Order No. 3835 on May 20, 2016, is hereby vacated, effective May 11, 2017. Issued in Washington, D.C., on May 25, 2017.

John Anderson

Director, Office of Regulation and International Engagement

Office of Oil and Natural Gas