

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

MACQUARIE ENERGY LLC

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DOCKET NOS. 17-152-NG,
17-153-NG, AND 17-154- NG
(CONSOLIDATED)

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO BY
PIPELINE, TO IMPORT AND EXPORT LIQUEFIED NATURAL GAS FROM AND TO
CANADA AND MEXICO BY TRUCK, AND TO IMPORT LIQUEFIED NATURAL GAS
FROM VARIOUS INTERNATIONAL SOURCES BY VESSEL

DOE/FE ORDER NO. 4147

JANUARY 26, 2018

I. DESCRIPTION OF REQUEST

On December 4, 2017, Macquarie Energy LLC (Macquarie Energy) 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 natural gas from and to Canada and Mexico via pipeline, to import and export liquefied natural gas (LNG) from and to Canada and Mexico by truck, and to import LNG from various international sources by vessel, up to a combined total volume equivalent to 1,500 billion cubic feet (Bcf) of natural gas.² The applicant requests the authorization be granted for a two-year term beginning on February 1, 2018.³ Macquarie Energy is a Delaware limited liability company with its principal place of business in Houston, Texas.

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 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. A free trade agreement requiring national treatment for trade in natural gas is in effect with both Canada

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 Redeleation Order No. 00-006.02 issued on November 17, 2014.

² On January 3, 2018 via email, Macquarie Energy requested that the three applications they submitted on December 4, 2017 be consolidated into one application with a combined volume of 1,500 Bcf. That request has been granted.

³ Macquarie Energy's existing blanket authorizations to import and export natural gas via pipeline from and to Canada and Mexico, import and export LNG by truck from and to Canada and Mexico, and import LNG by vessel from various international sources were granted respectively in DOE/FE Order Nos. 3755, 3756, and 3757 on December 30, 2015, and extend through January 31, 2018.

and Mexico. As a result, the authorization sought by Macquarie Energy to import and export natural gas by pipeline from and to Canada and Mexico, to import and export LNG by truck from and to Canada and Mexico, and to import LNG from various international sources by vessel, meets the section 3(c) criteria 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. Macquarie Energy is authorized to import and export natural gas from and to Canada and Mexico by pipeline, to import and export LNG from Canada and Mexico by truck, and to import LNG from various international sources by vessel up to a combined total volume equivalent to 1,500 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on February 1, 2018, and extending through January 31, 2020.

B. This natural gas may be imported and exported by pipeline at any point on the border between the United States and Canada, and between the United States and Mexico.

C. This LNG may be imported by truck to any LNG receiving facility in the United States and its territories. This LNG may be exported by truck from any departure facility in the United States and its territories.

D. This LNG may be imported by vessel to any LNG receiving facility in the United States and its territories.

E. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the

vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

F. Monthly Reports: With respect to the natural gas imports and exports, and the imports and exports of LNG authorized by this Order, Macquarie Energy 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 and/or exports of natural gas or LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports and/or exports have not occurred, a report of “no activity” for that month must be filed.

If imports and/or exports of natural gas by pipeline 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)).

If imports of LNG by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving facility; (2) the country of origin; (3) the point(s) of entry; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point of entry; (8) the duration of the supply agreement; and (9) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

If exports of LNG by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. departure facility; (2) the country of destination; (3) the point(s) of exit; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; and (8) the duration of the supply agreement.

If imports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the landed price per MMBtu at the point of import; (8) the duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

G. The first monthly report required by this Order is due not later than March 30, 2018, and should cover the reporting period from February 1, 2018, through February 28, 2018.

H. 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 January 26, 2018.

Robert J. Smith
Deputy Assistant Secretary for Oil and Natural Gas (Acting)