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MERCURIA

COMMODITIES CANADA CORPORATION

Mercuria Commodities Canada Corporation
Vintage Towers II
326-11th Avenue South West, Suite 600
Calgary, AB T2R 0C5

Chloe Cromarty
Head of US Gas & Power Compliance
Phone: (832) 209-2336
ccromarty@mercuria.com

September 20, 2018

VIA FedEx and Email

Ms. Larine A. Moore
U.S. Department of Energy
Office of Natural Gas Regulatory Activities
Forrestal Building, (FE-34)
1000 Independence Avenue, SW
Washington, DC 20585

RE: *Application of Mercuria Commodities Canada Corporation for Long-Term Authorization to Export Natural Gas to Canada*

Dear Ms. Moore :

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, DOE Delegation Order Nos. 0204-111 and 2404-127, and the Regulations of the Department of Energy set forth in 10 C.F.R. Part 590, Mercuria Commodities Canada Corporation (MCCC) hereby submits an original and three (3) copies of its Application for Long-Term Authorization to Export Natural Gas to Canada (Application). In connection with this request, a check in the amount of \$50.00 is enclosed.

MCCC has enclosed as Attachment B is a copy of the confidential agreement referenced in this Application. Due to the sensitive commercial information contained within this Agreement, MCCC is submitting it on a confidential basis, under seal, pursuant to 10 CFR § 590.202(e). This agreement should be afforded confidential treatment and exempted from public disclosure because it: (1) has been held in confidence by the counterparty; (2) is of a type customarily held in confidence; (3) are being transmitted to DOE/FE in confidence; (4) is not publicly available, and; (5) if disclosed, may cause substantial harm to the competitive positions of the parties to the Agreement.¹ Please contact the undersigned if you have any questions regarding this filing.

¹ See 10 CFR § 590.1004.11(f).



MERCURIA

COMMODITIES CANADA CORPORATION

Respectfully Submitted,

/s/ Chloe Cromarty

Chloe Cromarty

Head of US Gas & Power Compliance

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

MERCURIA COMMODITIES)
CANADA CORPORATION)

FE DOCKET No. _____

**APPLICATION OF MERCURIA COMMODITIES CANADA CORPORATION
FOR LONG-TERM AUTHORIZATION TO EXPORT NATURAL GAS TO CANADA
AND REQUEST FOR WAIVER AND EXPEDITED REVIEW**

I. INTRODUCTION

Pursuant to Section 3 of the Natural Gas Act (NGA), 15 U.S.C. § 717b, DOE Delegation Order Nos. 0204-111 and 2404-127, and the Regulations of the Department of Energy set forth in 10 C.F.R. Part 590, Mercuria Commodities Canada Corporation (MCCC) hereby applies to the United States Department of Energy for Long-Term Authorization to Export Natural Gas to Canada. MCCC requests authorization to export up to 20,000 MMBtus of natural gas per day to Canada beginning on October 1, 2018 and extending through October 31, 2020. MCCC respectfully requests waiver of the 90-day advance filing requirement and expedited review of this application. In support of this Application, MCCC respectfully submits the following:

II. COMMUNICATION

Correspondence and communications regarding this application should be addressed to the following:

Chloe Cromarty
Head of US Gas & Power Compliance
Mercuria Commodities Canada Corporation
20 E. Greenway Plaza
Suite 650
Houston, TX 77046
(832) 209-2336
ccromarty@mercuria.com

Gregory Johnston
General Counsel
Mercuria Commodities Canada Corporation
Vintage Towers II
326-11th Avenue South West, Suite 600
Calgary, AB T2R OC5
(403) 532-2010
gjohnston@mercuria.com

III. APPLICANT

The exact legal name of the applicant is Mercuria Commodities Canada Corporation, which is a Canadian federal corporation with its principal place of business at Suite 600 Vintage Towers II, 326-11th Avenue SW, Calgary, AB, Canada T2R OC5. MCCC is a wholly-owned subsidiary of Mercuria Energy Group Holding Ltd.

IV. BACKGROUND

On July 27, 2018, MCCC executed a Transaction Confirmation and Asset Management Agreement (the Transaction) with Enbridge Gas Distribution Inc. (Enbridge) pursuant to which MCCC will be the supplier, and will export up to 20,000 MMBtus of natural gas from the United States into Canada for delivery to Enbridge, the purchaser, at Vector Canada – Dawn. The start date of the contract is set in the Transaction as the Commencement Date, being the date on which the NEXUS Gas Transmission pipeline project being constructed in Michigan and Ohio comes into service, and the contract runs through October 31, 2020 (collectively, the Delivery Term). MCCC was recently informed that the actual Commencement Date is October 1, 2018. In order to effectuate the delivery, Enbridge will release capacity on the NEXUS pipeline and on the US and Canadian portion of the Vector pipeline to MCCC for the Delivery Term, and MCCC will serve as the Asset Manager in order to provide up to 20,000 MMBtus per day of firm gas to Enbridge.

In accordance with DOE regulations,¹ and due to the sensitive commercial information contained within the Transaction Confirmation and Asset Management Agreement, MCCC is filing under seal a confidential version of the Agreement as Exhibit B.

On September 26, 2017, the Department of Energy Office of Fossil Energy granted JPMCCC Blanket Authorization to Export Natural Gas From and To Canada under DOE/FE Order No. 4098 under FE Docket No. 17-120-NG (2017) (the Authorization).

MCCC respectfully requests waiver of the requirement to file its application for long-term authorization to export natural gas to Canada 90 days prior to commencement of the activity, and hereby requests expedited review and action on the Application. MCCC did not know until recently whether or not the Commencement Date would be prior to October 31, 2018. Had the Commencement Date been after October 31, 2018, it would have obviated the need to file for Long Term Authorization, because the Delivery Term would have been less than two years, in which case the activity could have been conducted under MCCC's Blanket Authorization. However, MCCC recently learned that the Commencement Date will be October 1, 2018, and therefore, is submitting the instant Application, and respectfully requests DOE action on or before September 28, 2018. In the event DOE cannot meet MCCC's expedited review timeline, MCCC respectfully requests that it be permitted to commence commercial activity pursuant to the Agreement under its existing Blanket Authorization until such time that DOE is able to issue an order on this Application.

V. REPORTING REQUIREMENTS

MCCC commits to report all export activity undertaken pursuant to the Transaction to DOE.

¹ See 10 CFR §§ 590.202(e) and 1004.11: "DOE's regulations afford confidential treatment for the filing of documents that contain sensitive commercial information."

VI. CONCLUSION

Wherefore, for the foregoing reasons, MCCC respectfully requests expedited review of its application for authorization to export up to 20,000 MMBtu of natural gas per day to Canada for delivery to Enbridge on Vector Pipeline at Dawn beginning on October 1, 2018, and extending through October 31, 2020 as proposed in this application.

Respectfully Submitted,

/s/ Chloe Cromarty

Chloe Cromarty

Head of US Gas & Power Compliance

Mercuria Commodities Canada Corporation

Vintage Towers II

326 – 11th Avenue South West, Suite 600

Calgary, AB, Canada T2R OC5

Exhibit A

Opinion of Counsel

Opinion of Counsel

Pursuant to the Department of Energy's administrative procedures, 10 CFR § 590.202(c), I am hereby providing my legal opinion with respect to the corporate power of Mercuria Commodities Canada Corporation (MCCC) to export natural gas to Canada. I have examined MCCC's Articles of Incorporation and By-Laws, and other documents deemed relevant for this opinion. Based on my review of the foregoing, it is my opinion that the proposed export of natural gas as described in the Application is legal, proper, and within the corporate powers and authority of MCCC.

Dated at Calgary, Alberta, Canada, this 20th day of September, 2018.



Greg S. Johnston
General Counsel, Canada

Exhibit B

CONFIDENTIAL

Transaction Confirmation
and
Asset Management Agreement

MERCURIA COMMODITIES CANADA CORP

20 E GREENWAY PLAZA STE 650
HOUSTON, TX 77046

1031


32-1/1110 TX
0

DATE 09/19/2018

PAY TO THE ORDER OF TREASURY OF THE UNITED STATES

\$ 50.00

FIFTY DOLLAR AND ZERO CENTS

DOLLARS  Security Features Detail on Back.

Bank of America



FOR FILING FEE FOR THE APPLICATION

⑈001031⑈ ⑆111000012⑆ 442 729 3001⑈