

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SPRAGUE OPERATING RESOURCES LLC

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FE DOCKET NO. 18-184-NG
FE DOCKET NO. 16-177-NG

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

DOE/FE ORDER NOS. 4324 AND 3954-A

DECEMBER 20, 2018

I. DESCRIPTION OF REQUEST

On December 10, 2018, Sprague Operating Resources LLC (Sprague Operating Resources) 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 up to 1.5 billion cubic feet (Bcf) of natural gas from Canada via pipeline. The applicant requests the authorization be granted for a two-year term beginning on August 1, 2018.² Sprague Operating Resources is a Delaware limited liability company with its principal place of business in Portsmouth, New Hampshire.

Previously, on December 1, 2016, DOE/FE granted Sprague Operating Resources authorization in DOE/FE Order No. 3954 to import up to a total of .5 Bcf of natural gas from Canada for a two-year term beginning on January 1, 2017, and extending through December 31, 2018. On December 10, 2018, Sprague Operating Resources requested that DOE/FE vacate its existing authorization in DOE/FE Order No. 3954, effective on August 1, 2018.³

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

¹ 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 Redefinition Order No. 00-006.02 issued on November 17, 2014.

² Sprague Operating Resources' blanket authorization to import natural gas from Canada, granted in DOE/FE Order No. 3954 on December 1, 2016, extends through December 31, 2018.

³ See Application and e-mails from Todd Bohan, Manager, Regulatory Compliance, Sprague Operating Resources, to DOE/FE (December 6, 2018 and December 10, 2018, respectively).

interest, and applications for such imports and exports must be granted without modification or delay. The authorization sought by Sprague Operating Resources to import natural gas from 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. Sprague Operating Resources is authorized to import up to 1.5 Bcf of natural gas from 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 August 1, 2018, and extends through July 31, 2020.

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

C. **Monthly Reports:** With respect the natural gas imports authorized by this Order, Sprague Operating Resources shall file with the Office of Regulation, Analysis, and Engagement, within 30 days following the last day of each calendar month, a report indicating whether imports of natural gas have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of “no activity” for that month must be filed. If imports of natural gas have occurred, the report must give the following details: (1) the country of origin; (2) the point(s) of entry; (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); (7) the estimated or actual

duration of the supply agreement(s); and (8) the geographic markets 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 January 30, 2019, and should cover the reporting period from August 1, 2018 through December 31, 2018.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Division of Natural Gas Regulation, Office of Regulation, Analysis, and 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 (202) 586-6050.

F. Sprague Operating Resources' blanket authorization to import natural gas from Canada, granted in DOE/FE Order No. 3954 on December 1, 2016, is hereby vacated effective August 1, 2018.

Issued in Washington, D.C., on December 20, 2018.

Amy R. Sweeney
Director, Division of Natural Gas Regulation