

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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VALENCE NATURAL GAS SOLUTIONS LLC )

FE DOCKET NO. 19-70-CNG

FE DOCKET NO. 18-62-CNG

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

DOE/FE ORDER NOS. 4432 AND 4196-A

SEPTEMBER 3, 2019

## I. DESCRIPTION OF REQUEST

On June 6, 2019, Valence Natural Gas Solutions LLC (Valence Natural Gas Solutions) 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)<sup>1</sup> for blanket authorization to import and export compressed natural gas (CNG) in a combined total of 1 billion cubic feet (Bcf) of natural gas from and to Canada by truck.<sup>2</sup> The applicant requests the authorization be granted for a two-year term beginning on the date this Order is issued. Valence Natural Gas Solutions is a Delaware corporation with its principal place of business in Williston, North Dakota.

Previously, on May 29, 2018, Ferus Natural Gas Fuels (CNG), LLC (Ferus Natural Gas Fuels) was granted authorization in DOE/FE Order No. 4196 to import and export CNG in a combined total of 1 Bcf from and to Canada by truck for a two-year term beginning on March 19, 2018, and extending through March 18, 2020.<sup>3</sup> Valence Natural Gas Solutions was previously known as Ferus Natural Gas Fuels (CNG) LLC.

On June 6, 2019, DOE/FE was notified that Ferus Natural Gas Fuels changed its corporate name to Valence Natural Gas Solutions, LLC on April 10, 2019. Additionally, on June 12, 2019, Valence Natural Gas Solutions requested that DOE/FE vacate Ferus Natural Gas Fuels' authorization in DOE/FE Order No. 4196, effective April 10, 2019.<sup>4</sup>

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<sup>1</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 Redelelegation Order No. 00-002.04G issued on June 4, 2019.

<sup>2</sup> See email from Michael Wong, Director, Corporate Services, Valence Natural Gas Solutions (Jul. 30, 2019).

<sup>3</sup> Ferus Natural Gas Fuels' blanket authorization to import and export compressed natural gas from and to Canada, and vacating prior authorization, granted in DOE/FE Order No. 4196 on May 29, 2018, extends through March 18, 2020.

<sup>4</sup> See Application and emails from Michael Wong, Director, Corporate Services, Valence Natural Gas Solutions (Jun. 6, 2019, Jun. 12, 2019 and Jul. 30, 2019, respectively).

## II. FINDING

The application has been evaluated to determine if the proposed import and 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 and exports must be granted without modification or delay. DOE/FE has determined that CNG falls within the statutory definition of natural gas. 15 U.S.C. § 717a (5); *see also* 10 C.F.R. § 500.2. The authorization sought by Valence Natural Gas Solutions to import and export CNG 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. Valence Natural Gas Solutions is authorized to import and export CNG by truck from and to Canada, up to a combined total equivalent of 1 billion cubic feet (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 September 3, 2019, and extending through September 2, 2021.

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

C. **Monthly Reports:** With respect to the CNG imports and exports authorized by this Order, Valence Natural Gas Solutions 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 or exports of CNG have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports and/or exports have been made, a report of “no activity” for that month must be filed.

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

If exports of CNG by truck have occurred, the report must give the following details of each CNG 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 CNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point(s) of exit; and (8) the duration of the supply agreement.

(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 October 30, 2019, and should cover the reporting period from September 3, 2019 through September 30, 2019.

E. All monthly report filings on Form FE-746R shall be made to the U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Regulation, Analysis, and Engagement, according to the methods of submission listed on the Form FE-746R reporting instructions available at <https://www.energy.gov/fe/services/natural-gas-regulation>.

F. Ferus Natural Gas Fuels' authorization to import and export CNG by truck from and to Canada, and vacating prior authorization, granted in DOE/FE Order No. 4196 on May 29, 2018, is hereby vacated, effective April 10, 2019.

Issued in Washington, D.C., on September 3, 2019.

**Amy R.  
Sweeney** Digitally signed by  
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Amy R. Sweeney  
Director, Office of Regulation, Analysis, and Engagement  
Office of Oil and Natural Gas