

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SHELL ENERGY NORTH AMERICA (US), L.P.)
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FE DOCKET NO. 16-32-NG

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

DOE/FE ORDER NO. 3801

MARCH 17, 2016

I. DESCRIPTION OF REQUEST

On March 8, 2016, Shell Energy North America (US), L.P. (Shell 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 export LNG to Canada and Mexico by vessel and truck, and to import LNG from various international sources by vessel and truck, up to a combined total volume equivalent to 1,200 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on May 13, 2016.² Shell 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. The authorization sought by Shell Energy to export LNG to Canada and Mexico by vessel and truck, and to import LNG from various international sources by vessel and truck, meets the section 3(c)

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 Shell Energy's blanket authorization to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel and truck, and to import LNG from various international sources by vessel granted in DOE/FE Order No. 3433 on May 8, 2014, extends through May 12, 2016.

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. Shell Energy is authorized to export LNG to Canada and Mexico by vessel and truck, and to import LNG from various international sources by vessel and truck, up to a combined total volume equivalent to 1200 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 May 13, 2016, and extending through May 12, 2018.

B. This LNG may be exported by truck at any point on the border between the United States and Canada, and between the United States and Mexico. This LNG may be exported by vessel from any LNG export terminal in the United States and its territories.

C. This LNG may be imported by truck to any LNG receiving facility in the United States and its territories. This LNG may be imported by vessel from any LNG import terminal in the United States or its territories.

D. 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.

E. **Monthly Reports:** With respect to the imports and exports of LNG authorized by this Order, Shell 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 LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun.

[Add para for exports of LNG by vessel]

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 delivered 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)).

If imports of LNG by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the 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)).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

F. The first monthly report required by this Order is due not later than June 30, 2016, and should cover the reporting period from May 13, 2016, through May 31, 2016. 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.

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