

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

APPLIED LNG TECHNOLOGIES, LLC

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FE DOCKET NO. 16-112-LNG
FE DOCKET NO. 16-05-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT LIQUEFIED NATURAL GAS
FROM AND TO CANADA AND MEXICO BY TRUCK,
AND VACATING PRIOR AUTHORIZATION

DOE/FE ORDER NO. 3889
DOE/FE ORDER NO. 3771-A

SEPTEMBER 14, 2016

I. DESCRIPTION OF REQUEST

On August 8, 2016, in FE Docket No. 16-112-LNG, Applied LNG Technologies, LLC (Applied LNG) 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 liquefied natural gas (LNG) from and to Canada and Mexico by truck, up to a combined total volume equivalent to 6 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on February 24, 2016. Applied LNG requests a retroactive effective date in order that the authorization granted herein will supersede an authorization to export natural gas previously granted in DOE/FE Order No. 3771, FE Docket No. 16-05-NG. Applied LNG has requested that the earlier authorization be vacated and that request is being granted herein.² Applied LNG is a Delaware limited liability company with its principal place of business in Westlake Village, California.

II. FINDING

The application in Docket No. 16-112-LNG 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).

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

² On January 19, 2016, in DOE/FE Order No. 3771, DOE/FE authorized Applied LNG to export up to 6 Bcf of natural gas to Canada and Mexico for a two-year term beginning on February 24, 2016, and extending through February 23, 2018. Subsequent to the issuance of Order No. 3771, Applied LNG discovered it had requested the authority to export natural gas to Canada and Mexico in error. Accordingly, on August 29, 2016, Applied LNG submitted a request in Docket No. 16-05-NG asking that Order No. 3771 be vacated, effective February 24, 2016, in order that it may be replaced with the authorization to export and import LNG, as requested in Docket No. 16-112-LNG. Because the request to vacate concerns exports and imports from a country with which the United States has a free trade agreement requiring national treatment for trade in natural gas, that request is deemed in the public interest under section 3(c) of the Natural Gas Act, 15 U.S.C. 717b(c), and will be granted.

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 Applied LNG to import and export LNG from and to Canada and Mexico by truck, nations with which free trade agreements are in effect, 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. Applied LNG is authorized to import and export LNG from and to Canada and Mexico by truck, up to a combined total volume equivalent to 6 Bcf of natural gas, pursuant to transactions that have terms no longer than two years. This authorization shall be effective for a two-year term which began on February 24, 2016, and extends through February 23, 2018.

B. 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 LNG departure facility in the United States and its territories.

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

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 or 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 amount in Mcf; (7) the price per MMBtu at the point 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 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.

(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 September 30, 2016, and should cover the reporting period from July 25, 2016, through August, 31, 2016.

E. 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.

F. Applied LNG's blanket authorization to export natural gas to Canada and Mexico granted to Applied LNG in DOE/FE Order No. 3771 on January 19, 2016, is hereby vacated, effective February 24, 2016.

Issued in Washington, D.C., on September 14, 2016.



John A. Anderson
Director, Office of Regulation and International Engagement
Office of Oil and Natural Gas