

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. 18-17-NG

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

DOE/FE ORDER NO. 4158

FEBRUARY 28, 2018

I. DESCRIPTION OF REQUEST

On February 1, 2018, Shell Energy North America (US), L.P. (Shell Energy North America) 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 1,200 billion cubic feet (Bcf) of natural gas from Canada, to import up to 1,200 Bcf of natural gas from Mexico, to export up to 1,200 Bcf of natural gas to Canada, to export up to 1,200 Bcf of natural gas to Mexico, and to import liquefied natural gas (LNG) from various international sources by vessel up to a total volume equivalent to 1,200 Bcf of natural gas. The applicant requests the authorization be granted for a two-year term beginning on May 13, 2018.² Shell Energy North America (US) 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 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

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

² Shell Energy North America's existing blanket authorizations to import and export natural gas from and to Canada and Mexico, granted in DOE/FE Order No. 3787 on February 25, 2017, extends through May 12, 2018. Shell Energy North America's existing 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, granted in DOE/FE Order No. 3801 on March 17, 2016, extends through May 12, 2018.

delay. The authorization sought by Shell Energy North America to import and export natural gas from and to Canada and Mexico, nations with which free trade agreements requiring national treatment for trade in natural gas are in effect, and to import LNG from various international sources by vessel 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. Shell Energy North America is authorized to import up to 1,200 Bcf of natural gas from Canada, to import up to 1,200 Bcf of natural gas from Mexico, to export up to 1,200 Bcf of natural gas to Canada, to export up to 1,200 Bcf of natural gas to Mexico, and to import LNG from various international sources by vessel up to a total volume equivalent to 1,200 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, 2018, and extending through May 12, 2020.

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

C. This LNG may be imported by vessel to any LNG receiving facility in the United States and 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 natural gas imports and exports and the imports of LNG authorized by this Order, Shell Energy North America 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 natural gas and/or imports of LNG 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 and/or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

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)).

(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, 2018, and should cover the reporting period from May 13, 2018 through May 31, 2018.

G. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Division of Natural Gas Regulation, Office of Regulation and International 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.

Issued in Washington, D.C., on February 28, 2018.

Robert J. Smith
Deputy Assistant Secretary for Oil and Natural Gas (Acting)