

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

THE NARRAGANSETT ELECTRIC COMPANY
D/B/A NATIONAL GRID

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FE DOCKET NO. 16-49-LNG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS FROM
CANADA BY TRUCK

DOE/FE ORDER NO. 3824

MAY 16, 2016

I. DESCRIPTION OF REQUEST

On April 11, 2016, the Narragansett Electric Company d/b/a National Grid (Narragansett) 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 liquefied natural gas (LNG) from Canada by truck, up to a total volume equivalent to 0.54 billion cubic feet (Bcf) of natural gas.² The applicant requests the authorization be granted for a 32 month term beginning on April 1, 2016.³ Narragansett is a Rhode Island corporation and is wholly owned and controlled by National Grid USA. Narragansett has a place of business in Hicksville, New York.

Narragansett will purchase all of its LNG for the requested authorization from Gaz Metro LNG, L.P. (Gaz Metro). Gaz Metro will deliver the LNG to Narragansett at Gaz Metro's liquefaction, storage, and degasifying plant in Montreal, Quebec, Canada. The contract to purchase LNG between Narragansett and Gaz Metro is on a firm, take-or-pay basis.

Narragansett is responsible for the transportation of the LNG to the U.S. from the Montreal plant.

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

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 Narragansett is requesting 0.5334 Bcf, which DOE is rounding up to 0.54 Bcf.

³ Narragansett is requesting the authorization be issued on a retroactive basis, effective April 1, 2016.

applications for such imports and exports must be granted without modification or delay. The authorization sought by Narragansett to import LNG from Canada by truck meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than 32 months.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Narragansett is authorized to import LNG from Canada by truck, up to a total volume equivalent to 0.54 Bcf of natural gas, pursuant to transactions that have terms of no longer than 32 months. This authorization shall be effective for a 32-month term beginning on April 1, 2016, and extending through November 30, 2018.

B. This LNG may be imported at any LNG receiving facility in the United States and its territories.

C. **Monthly Reports:** With respect to the imports of LNG authorized by this Order, Narragansett 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 of LNG 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 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 of origin; (3) the point(s) of entry; (4) the name 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 (indicate spot purchases); 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)

D. The first monthly report required by this Order is due not later than May 31, 2016, and should cover the reporting period from April 1, 2016, through April 30, 2016.

E. 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 at (202) 586-6050.

Issued in Washington, D.C., on May 16, 2016.

A handwritten signature in dark ink, appearing to read "John A. Anderson", is written over a horizontal line.

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