

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SACRAMENTO MUNICIPAL UTILITY DISTRICT

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FE DOCKET NO. 16-58-NG

ORDER GRANTING BLANKET AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 3836

MAY 20, 2016

I. DESCRIPTION OF REQUEST

On May 3, 2016, Sacramento Municipal Utility District (SMUD) filed an application with the Office of Fossil Energy (FE) of the Department of Energy under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization to import up to 100 billion cubic feet (Bcf) of natural gas from Canada. The applicant requests the authorization be granted for a two-year term beginning on July 1, 2016.² SMUD is a California municipal utility with its principal place of business in Sacramento, California.

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 delay. The authorization sought by SMUD to import natural gas from Canada, a nation with which a free trade agreement 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.

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 SMUD's blanket authorization to import natural gas from Canada, granted in DOE/FE Order No. 3395 on January 20, 2014, extends through June 30, 2016.

ORDER

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

A. SMUD is authorized to import up to 100 Bcf of natural gas from Canada, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on July 1, 2016, and extending through June 30, 2018.

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

C. **Monthly Reports:** With respect to the natural gas imports authorized by this Order, SMUD 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 natural gas 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 natural gas have occurred, the report must give the following details: (1) the country of origin; (2) the point(s) of entry; (3) the volume in thousand cubic feet (Mcf); (4) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (5) the name of the supplier(s); (6) the name of the U.S. transporter(s); (7) the estimated or actual duration of the supply agreement(s); and (8) the geographic market(s) 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 August 30, 2016, and should cover the reporting period from July 1, 2016, through July 31, 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 (202) 586-6050.

Issued in Washington, D.C., on May 20, 2016.

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

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