

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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PUGET SOUND ENERGY, INC.

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FE DOCKET NO. 11-76-LNG

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

DOE/FE ORDER NO. 2985

JULY 18, 2011

## I. DESCRIPTION OF REQUEST

On June 13, 2011, Puget Sound Energy, Inc. (PSE) filed an application (Application) with the Office of Fossil Energy (FE) of the Department of Energy, under section 3 of the Natural Gas Act (NGA)<sup>1</sup> for authority to import up to 1 billion cubic feet (Bcf) of liquefied natural gas (LNG) from Canada by truck for a term beginning on the date the Order is issued and ending on December 31, 2014. PSE, a corporation organized under the laws of the State of Washington, has its principal place of business in Bellevue, Washington.

PSE proposes to purchase LNG from Fortis BC (Fortis) pursuant to the terms of an interruptible LNG sales and dispensing service agreement dated October 7, 2010, between Terasen Gas Inc. (now Fortis) and PSE. PSE states that the price for each LNG import transaction will be established in the contract and/or be determined by prevailing competitive market prices. PSE intends to use its authorization to purchase and import LNG for its own account as well as for the account of its Canadian or U.S. suppliers and purchasers.

The point of entry for the LNG into the United States will be at Blaine, Washington, at the United States-Canada border. The requested authorization does not involve the construction of new LNG receiving facilities.

## II. FINDING

The application has been evaluated to determine if the proposed import 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 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 are deemed to be consistent

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<sup>1</sup>/ 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. 00-002.04E issued on April 29, 2011.

with the public interest and must be granted without modification or delay. The authorization sought by PSE to import LNG by truck meets the section 3(c) criterion and, therefore, is consistent with the public interest.

#### ORDER

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

A. PSE is authorized to import up to 1 Bcf of LNG from Canada by truck for a term beginning on July 18, 2011, and extending through December 31, 2014. This LNG shall be imported from Canada pursuant to the *Interruptible Liquefied Natural Gas Sales and Dispensing Service Agreement* between Terasen Gas Inc. and PSE, dated October 7, 2010.

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

C. **Monthly Reports:** With respect to the import of LNG authorized by this Order, PSE shall file with the Office of Natural Gas Regulatory Activities, 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(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)

D. The first monthly report required by this Order is due not later than August 30, 2011, and should cover the reporting period from July 18, 2011, through July 31, 2011.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at [Yvonne.caudillo@hq.doe.gov](mailto:Yvonne.caudillo@hq.doe.gov) or [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on July 18, 2011.

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

John A. Anderson  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy