

11-163-LNG

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**December 22, 2011**

Mr. John Anderson  
U.S. Department of Energy  
Office of Fossil Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585



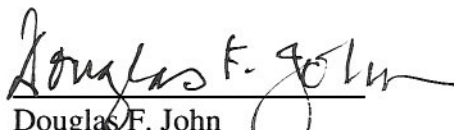
**Re: Encana Natural Gas Inc., Docket No. 11-163-LNG**  
**Application for Blanket Authorization to Import and Export**  
**Liquefied Natural Gas from and to Canada and Mexico**

Dear Mr. Anderson:

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy, 10 C.F.R. Part 590 (2011), Encana Natural Gas Inc. hereby files an original and fifteen (15) copies of its Application for Blanket Authorization to Import and Export Liquefied Natural Gas from and to Canada and Mexico. An electronic copy of the application is also provided on the enclosed compact disk. A check in the amount of \$50 is being provided under separate cover as the filing fee stipulated by 10 C.F.R. § 590.207 (2011). I have enclosed four (4) extra copies of the application to be date-time stamped and returned to our messenger.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact the undersigned at (202) 429-8801.

Respectfully submitted,

  
Douglas F. John  
Attorney for Encana Natural Gas Inc.

Enclosures

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY**

**In the Matter of:**

**ENCANA NATURAL GAS INC.**

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**Docket No. 11-163-LNG**

**APPLICATION OF ENCANA NATURAL GAS INC.  
FOR BLANKET AUTHORIZATION TO IMPORT AND EXPORT  
LIQUEFIED NATURAL GAS FROM AND TO  
CANADA AND MEXICO**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. Section 717b, and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2011), Encana Natural Gas Inc. (“Encana”) hereby submits the instant application to the Office of Fossil Energy (“FE”) for blanket authorization to import and export liquefied natural gas (“LNG”) from and to Canada and Mexico. In support of this application, Encana respectfully offers the following:

**I.**  
**COMMUNICATIONS**

Correspondence and communications regarding this application should be addressed to the following:

**Encana Contact Information:**

David Hill  
Vice President  
Encana Natural Gas Inc.  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202  
Phone: (720) 876-3689  
Fax: (720) 876-4689  
Email: [david.hill@encana.com](mailto:david.hill@encana.com)

**Counsel Contact Information:**

Douglas F. John, Esq.  
John & Hengerer  
1730 Rhode Island Avenue, NW  
Suite 600  
Washington, D.C. 20036-3116  
Phone: (202) 429-8801  
Fax: (202) 429-8805  
Email: [djohn@jhenenergy.com](mailto:djohn@jhenenergy.com)

## **II.**

### **DESCRIPTION OF APPLICANT**

Encana is a corporation organized under the laws of the State of Delaware, with its principal place of business at 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202. Encana is owned by Encana Corporation, which has its principal place of business in Calgary, Alberta. Encana is engaged in the business of producing LNG or purchasing LNG from various sources in Canada and the United States, arranging the transport of such LNG from one point to another, and reselling that LNG to various customers in Canada and the United States. Encana may expand its operations to include Mexico in the future.

## **III.**

### **AUTHORIZATION REQUESTED**

By the instant application, Encana requests authorization to import and export LNG from and to Canada and Mexico, effective for a two-year term beginning on the date of the first import or export under the authorization.

Encana requests authorization to import from and/or export to Canada and Mexico a combined total of up to 12 Bcf of natural gas over the two-year term. The requested authorization will enable Encana to participate in short-term or spot-market LNG transactions with United States, Canadian, or Mexican customers. Since a transaction arranged by Encana may be structured with Encana either purchasing and taking title to the LNG, or acting as agent for its United States, Canadian, or Mexican suppliers or customers, Encana requests authorization to import and export LNG for its



own account as well as for the account of its United States, Canadian, or Mexican suppliers and customers.<sup>1</sup>

Encana's LNG activities may involve deliveries or receipts of LNG via truck, rail, barge, or non-barge waterborne vessels in the Great Lakes, St. Lawrence Seaway, or Puget Sound areas. Therefore, Encana requests that import and export authority be granted to include all of these methods of transportation.

Encana's negotiations with prospective customers in the United States, Canada, and Mexico are of a continuing nature. Therefore, Encana requests that such import and export authority be granted on a blanket basis at all points of import and export from and to Canada and Mexico to provide Encana with the flexibility necessary to respond quickly to these marketing opportunities. Encana cannot be competitive with other sellers if it must apply for import and export authorization for each transaction. The subject application is similar to other blanket import and export arrangements approved by DOE/FE.

#### **IV. PUBLIC INTEREST**

Section 3(c) of the NGA, as amended by the Energy Policy Act of 1992,<sup>2</sup> provides that the importation and exportation of LNG from or to a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest and that applications for such importation and exportation shall be granted without modification or delay. Because Encana's application is for authorization to import and export LNG

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<sup>1</sup> See *Puget Sound Energy, Inc.*, DOE/FE Order No. 2985 (Jul. 18, 2011) (authorizing Puget Sound Energy Inc. to use its authorization to purchase and import LNG for its own account as well as for the account of its Canadian or United States suppliers and purchasers).

<sup>2</sup> Pub. L. 102-486.

from and to Canada and Mexico, with both of which nations the United States has free trade agreements, Encana submits that its application is within the public interest.

## V. **ENVIRONMENTAL IMPACT**

No new facilities will be constructed in the United States for the proposed importation and exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

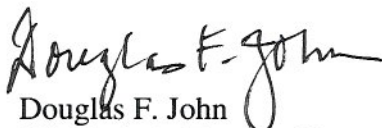
## VI. **REPORTING REQUIREMENTS**

With respect to all imports and exports made pursuant to the authorization requested herein, Encana will undertake to file with the DOE/FE in the month following the close of each calendar month, reports indicating by month whether imports or exports have occurred, and if so, the details of each transaction, including the total volumes of imports and exports in Mcf and the average price for the imports and exports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the transporter(s), the point of entry or point of exit, whether the sales are made on an interruptible or firm basis, and if applicable, the method of transportation and any specific related requirements. Encana will notify the DOE/FE in writing of the date of the first delivery of natural gas imported or exported under the requested authorization within two weeks of such delivery.

**VII.**  
**CONCLUSION**

WHEREFORE, for the foregoing reasons Encana respectfully requests that the DOE/FE expeditiously consider the instant application and, pursuant to Section 3 of the NGA and Part 590 of the DOE's regulations, grant its request for blanket import and export authorization. Encana submits that a grant of such authorization would not be inconsistent with the public interest. Encana specifically requests DOE/FE action on this application by January 31, 2012, in order to assure that Encana is able to take advantage of business opportunities that Encana expects to materialize by that date.

Respectfully submitted,



Douglas F. John  
Elizabeth A. Zembruski  
JOHN & HENGERER  
1730 Rhode Island Avenue, N.W.  
Suite 600  
Washington, D.C. 20036-3116  
Phone: (202) 429-8801  
Email: [djohn@jhenergy.com](mailto:djohn@jhenergy.com)

Counsel for Encana Natural Gas Inc.

Dated at Washington, D.C.: December 22, 2011.


# **Appendix A**

## **Verification**

VERIFICATION


STATE OF COLORADO                    )  
  )    SS:  
CITY AND COUNTY OF DENVER        )

BEFORE ME, the undersigned authority, on this day personally appeared David Hill, who, having been by me first duly sworn, on oath says that he is Vice President of Encana Natural Gas Inc.; that he is familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of his knowledge, information and belief.

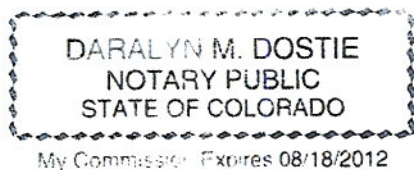
  
\_\_\_\_\_  
David Hill

Sworn to and subscribed before me, a Notary Public, this 28<sup>th</sup> day of November 2011.

(NOTARIAL SEAL)

  
\_\_\_\_\_  
Notary Public

My Commission Expires:





## **Appendix B**

### **Opinion of Counsel**

**JOHN & HENGERER**  
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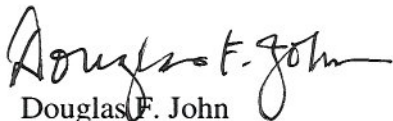
Office of Fuels Program  
Fossil Energy, U.S. Department of Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Re: Encana Natural Gas Inc., Application for Blanket Authorization to Import  
and Export Liquefied Natural Gas From and To Canada and Mexico

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2011). I have examined the Certificate of Incorporation of Encana Natural Gas Inc. ("Encana") and other authorities as necessary, and have concluded that the proposed importation and exportation of liquefied natural gas by Encana is within its corporate powers. Further, Encana is authorized to do business in Colorado and other U.S. states and to engage in foreign commerce.

Respectfully submitted,



Douglas F. John  
Counsel for Encana Natural Gas Inc.