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Submitted electronically to fergas@hq.doe.gov

Ms. Larine A. Moore
Docket Room Manager
FE-34
U.S. Department of Energy
P.O. Box 44375
Washington, DC 20026-4375

**Re: Port Arthur LNG, LLC
FE Docket No. 15 - 53 - LNG
Application for Long-Term, Multi-Contract Authorization to Export
Liquefied Natural Gas to Free Trade Agreement Countries**

Dear Ms. Moore:

Port Arthur LNG, LLC ("Port Arthur LNG") hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy, its application for long-term authorization to export liquefied natural gas ("LNG") (the "Application") in an amount up to the equivalent of 517 billion cubic feet of natural gas per year. The requested authorization would permit Port Arthur LNG to export LNG to any country with which the United States has, or in the future will have, a Free Trade Agreement requiring national treatment for trade in natural gas.

Port Arthur LNG is electronically transmitting a PDF of the application materials and, on the same day, is hand delivering the application materials provided electronically. The hand delivered submission will include a paper copy of the original Application, three additional paper copies of the Application, and a check in the amount of \$50.00 in payment of the applicable filing fee. A photocopy of the check is included with the electronic submission.

Please acknowledge receipt of this Application by email to wrapp@sempraglobal.com. Should you have any questions, please do not hesitate to contact me at (619) 699-5050.

Respectfully submitted,

A handwritten signature in cursive script that reads "William D. Rapp".

William D. Rapp
101 Ash Street
San Diego, CA 92101
(619) 699-5050

Counsel for Port Arthur LNG, LLC

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

Port Arthur LNG, LLC

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Docket No. 15-____-LNG

**APPLICATION OF PORT ARTHUR LNG, LLC FOR LONG-TERM, MULTI-
CONTRACT AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO
FREE TRADE AGREEMENT NATIONS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the United States Department of Energy’s (“DOE”) regulations,² Port Arthur LNG, LLC (“Port Arthur LNG”) hereby submits this application (“Application”) to the Department of Energy Office of Fossil Energy (“DOE/FE”) for long-term, multi-contract authorization to export a maximum of 517 billion cubic feet (“Bcf”) per year of liquefied natural gas (“LNG”) (equivalent to approximately 10 million metric tons per annum (“MTPA”)) for a 25-year term to commence on the earlier of the date of first commercial export or a date seven years from the issuance of an order granting the requested authorization.

Port Arthur LNG seeks this authorization to export domestically produced LNG from the natural gas processing, liquefaction and export project it intends to construct, own, and operate in Port Arthur, Texas (the “Project”) to any country with which the United States has, or in the future will have, a Free Trade Agreement (“FTA”) requiring national treatment for trade in natural gas.³

Port Arthur LNG requests this authorization both on its own behalf and as agent for other parties who will hold title to the LNG at the time of export. Port Arthur LNG will file a

¹ 15 U.S.C. § 717b

² 10 C.F.R. Part 590.

³ The U.S. currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore

separate application with the DOE/FE for long-term authorization to export domestically produced LNG to those countries with which the United States does not have an FTA and with which trade is not prohibited by U.S. law or policy.

This Application requests authority to export LNG only to countries with which the United States has or in the future enters into an FTA requiring national treatment for trade in natural gas. Accordingly, this Application is subject to review under the standards established by Section 3(c) of the NGA, as amended by Section 201 of the Energy Policy Act of 1992.⁴ Pursuant to Section 3(c) of the NGA, exports of LNG to FTA countries are “deemed to be consistent with the public interest” and applications for such exports shall be “granted without modification or delay.”⁵

In support of this Application, Port Arthur LNG respectfully states the following:

I. COMMUNICATIONS

All communications and correspondence regarding this Application should be directed to:

William D. Rapp
Port Arthur LNG, LLC
101 Ash Street
San Diego, CA 92101
(619) 699-5050
wrapp@sempraglobal.com

Jessica Fore
Baker Botts L.L.P.
The Warner
1299 Pennsylvania Ave. NW
Washington, DC 20004
(202) 639-7727
jessica.fore@bakerbotts.com

II. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Port Arthur LNG, LLC. Port Arthur LNG is a limited liability company organized and existing under the laws of the State of

⁴ 15 U.S.C §717b(c).

⁵ *Id*

Delaware, with its principal place of business at 101 Ash Street, San Diego, California 92101. Port Arthur LNG is a wholly-owned, indirect subsidiary of Sempra Energy.

III. PROJECT FACILITIES

Port Arthur LNG seeks long-term authorization to export domestically produced LNG from the Project, which will be constructed under authorization of Section 3 of the NGA. The Project will be located in Port Arthur, Texas. The Federal Energy Regulatory Commission (“FERC”) previously approved the Project site for use as an LNG import and re-gasification terminal.⁶ The Project facilities are anticipated to include feed gas pre-treatment facilities, two natural gas liquefaction trains, two 160,000 cubic meter LNG storage tanks, marine facilities for vessel berthing and loading, refrigerant make-up and condensate product storage, truck loading and unloading areas, and combustion turbine generators for self-generation of electrical power. Each of the natural gas liquefaction trains will be capable of producing up to 5 MTPA of LNG, for a total capacity of up to 10 MTPA. The Project facilities would permit natural gas to be delivered by pipeline to the Project, liquefied, stored and loaded from the LNG storage tanks into LNG vessels berthed at the marine facilities.

IV. EXPORT SOURCES

Port Arthur LNG seeks authorization to export natural gas available from the United States natural gas pipeline supply and transmission system. Port Arthur Pipeline, LLC (“Port Arthur Pipeline”), an affiliate of Port Arthur LNG, plans to construct, own and operate new natural gas pipeline facilities that will connect the Project to multiple interstate and intrastate pipelines. Through such pipeline interconnections, Port Arthur LNG will have

⁶ *Port Arthur LNG, LP*, 115 FERC ¶61,344 (2006) Due to changes in market conditions after issuance of this order, Port Arthur elected not to proceed with construction of the import and re-gasification terminal. See *Port Arthur LNG, LP*, 136 FERC ¶ 61,196 (2011).

economical access to the national natural gas supply and pipeline system. This will enable Port Arthur LNG and/or customers of the Project to access the major natural gas supply basins in the United States. These supply sources can be accessed through a variety of purchase arrangements, including spot market transactions and long-term supply arrangements.

V. AUTHORIZATION REQUESTED

Port Arthur LNG requests long-term authorization to export a maximum of 10 MTPA (equivalent to approximately 517 Bcf per year) of domestically produced LNG from the Project to any nation with which the United States currently has, or in the future enters into, an FTA requiring national treatment for trade in LNG. This authorization is requested for a 25-year term to commence on the earlier of the date of first commercial export or a date seven years from the issuance of an order granting the requested authorization.

Port Arthur LNG requests such export authorization on its own behalf and as agent for others. To ensure all exports are permitted and lawful under United States laws and policies, Port Arthur LNG will comply with all DOE/FE requirements for an exporter or agent. In Order No. 2986, DOE/FE determined that where an applicant proposes to export as an agent for others, the applicant must register the other entity with DOE/FE.⁷ Consistent with DOE/FE Order No. 2986 and the procedures and requirements described therein, Port Arthur LNG will register with DOE/FE each LNG title holder for whom Port Arthur LNG seeks to export LNG. Port Arthur LNG will also provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in Port Arthur LNG's export authorization and (ii) include those requirements in any subsequent purchase or sale agreement entered into for the exported LNG by that title holder.⁸ Further, Port Arthur LNG will file with

⁷ *Freeport LNG Development, L.P.*, DOE/FE Order No. 2986 (July 19, 2011)

⁸ *Id.*

DOE/FE under seal any relevant long-term commercial agreements Port Arthur LNG enters into with the LNG title holders on whose behalf the exports will be performed.

Port Arthur LNG anticipates entering into one or more long-term agreements with customers of the Project. DOE/FE regulations require applicants to submit information regarding the terms of transactions, including long-term supply agreements and long-term export agreements.⁹ Port Arthur LNG has not yet entered into these agreements because a long-term export authorization is necessary to finalize long-term agreements with prospective customers. DOE/FE has previously found, however, that applicants need only supply such contract specific information “when practicable.”¹⁰ Accordingly, DOE/FE has previously permitted applicants to submit such information if and when such contracts are executed.¹¹ Port Arthur LNG requests that DOE/FE make the same finding in this proceeding.

Port Arthur LNG intends to separately apply for short-term export authorization to export LNG volumes required to commission each LNG train prior to the commencement of the first commercial export (“Commissioning Period”). Therefore, Port Arthur LNG requests that commissioning volumes¹² not be counted against the maximum level of volumes sought to be authorized for export in this Application.¹³ In addition, Port Arthur LNG respectfully requests that export of commissioning volumes during the Commissioning Period will not trigger the commencement of the term of the long-term authorization.¹⁴

⁹ 10 C.F.R. § 590.202(b)(4)

¹⁰ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (Sept. 7, 2010).

¹¹ *Id.*

¹² *See Freeport LNG Expansion, L.P.*, DOE/FE Docket No. 10-161-LNG, DOE/FE Order No. 3282-C at 90 (November 14, 2014) (defining “Commissioning Volumes” to mean the volume of LNG that is produced and exported under a short-term authorization during the initial start-up of each LNG train, before each LNG train has reached its full steady-state capacity and begun its commercial exports pursuant to long-term contracts or LTAs”).

¹³ *See Id.*

¹⁴ *See Freeport LNG Expansion, L.P.*, DOE/FE Docket Nos. 10-161-LNG & 11-161-LNG, DOE/FE Order Nos. 3282-B & 3357-A, at 6 (June 6, 2014)

VI. STANDARD OF REVIEW

Section 3(c) of the NGA deems exports of natural gas, including LNG, to nations with which there is in effect an FTA requiring national treatment for trade in natural gas “to be consistent with the public interest” and requires that applications for such exports be “granted without modification or delay.”¹⁵ The DOE/FE has repeatedly found that, in light of the statutory obligation to grant applications for exports to FTA countries, there is no need for DOE/FE to review factors affecting the public interest.¹⁶ This Application clearly falls within the scope of Section 3(c) and therefore should be processed and approved in accordance with this standard.

VII. REVIEW OF ENVIRONMENTAL IMPACTS

The construction and operation of the Project will be subject to authorization by the FERC. Port Arthur LNG intends to initiate the pre-filing process at FERC for the proposed Project facilities shortly. This will constitute the initial step in a comprehensive and detailed environmental review by FERC of the proposed Project under the National Environmental Policy Act of 1969 (“NEPA”)¹⁷ prior to authorizing the construction of the Project facilities. As required by NEPA and the FERC’s regulations, Port Arthur LNG will design the Project facilities to minimize or mitigate any adverse environmental impacts.

In addition to the authorization from DOE/FE sought in this Application and the authorizations from the FERC, Port Arthur LNG will seek the necessary permits from, and consultations with, other federal, state, and local agencies.

¹⁵ 15 U.S.C. § 717b(c).

¹⁶ See, e.g., *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (2010) See also *Lake Charles Exports, LLC*, DOE/FE Order No. 2987 (July 22, 2011)

¹⁷ 42 U.S.C. §§ 4321, *et seq.*

VIII. APPENDICES AND ENCLOSURES

The following appendices are included with this Application:

Appendix A Opinion of Counsel

Appendix B Verification

IX. CONCLUSION

For the reasons set forth above, Port Arthur LNG respectfully requests that the DOE issue an order granting Port Arthur LNG authorization to export for a 25-year term on its own behalf and as an agent for others, approximately 517 Bcf/year of domestically produced LNG to any country with which the United States has, or in the future may have, an FTA requiring national treatment for trade in natural gas.

Respectfully submitted,


William D. Rapp
101 Ash Street
San Diego, CA 92101
(619) 699-5050
wraapp@sempraglobal.com

Counsel for Port Arthur LNG, LLC

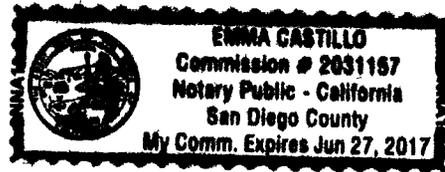
APPENDIX A

VERIFICATION

County of San Diego)
)
State of California)

BEFORE ME, the undersigned authority, on this 19 day of March, 2015, personally appeared Octavio Simoes, who, having been by me first duly sworn, on oath says that he is the President of Port Arthur LNG, LLC, and is duly authorized to make this Verification on behalf of such company, that he has read the foregoing instrument, and that the facts therein stated are true and correct to the best of his knowledge, information and belief.





CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

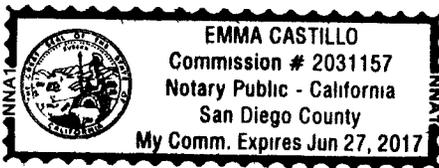
State of California

County of San Diego

On March 19 before me, Emma Castillo

personally appeared Victoria Simon

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct

WITNESS my hand and official seal. Signature Emma Castillo

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document

Title or Type of Document

Document Date: March 19, 2015 Number of Pages 1

Signer(s) Other Than Named Above

Capacity(ies) Claimed by Signer(s)

Signer's Name: Victoria Simon

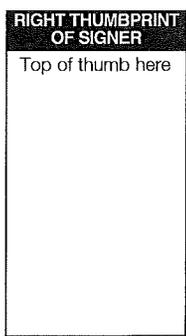
Corporate Officer - Title(s)

- Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other



Signer Is Representing: S & B Holdings, LLC

- Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other



Signer Is Representing

APPENDIX B

OPINION OF COUNSEL

March 19, 2015

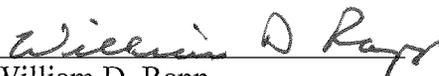
Mr. John Anderson
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

RE: Port Arthur LNG, LLC Application for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement Countries

Dear Mr. Anderson:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the United States Department of Energy, 10 C.F.R. § 590.202(c) (2014). I am counsel to Port Arthur LNG, LLC (“Port Arthur LNG”). I have reviewed the organizational and internal governance documents of Port Arthur LNG and it is my opinion that the proposed export of natural gas as described in the application filed by Port Arthur LNG, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of Port Arthur LNG.

Respectfully submitted,


William D. Rapp
Counsel to Port Arthur LNG, LLC

JPMorgan Chase Bank N.A.
Dallas, Texas 75201

BAKER BOTTS L.L.P.
ATTORNEYS AT LAW
Operating Account

CHECK # 1152546
DATE 03/06/2015

$\frac{32-61}{1110}$

\$ *****50.00

PAY *FIFTY AND 00/100 Dollars*

NOT NEGOTIABLE SIX MONTHS
FROM THE DATE OF ISSUE
TWO SIGNATURES REQUIRED OVER \$50,000

TO THE ORDER OF
TREASURER OF THE UNITED STATES

Carol A Frank

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