

**RECEIVED**

By Docket Room at 8:00am, Aug. 18, 2020

**Southern LNG  
Company, L.L.C.**  
a Kinder Morgan company

August 17, 2020

Ms. Amy Sweeney  
Office of Fossil Energy  
U.S. Department of Energy  
FE-34  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, DC 20585


**RE: Southern LNG, DOE/FE Docket No. 20-99-LNG**  
**Application for Blanket Authorization to Export Liquefied Natural Gas**

Dear Ms. Sweeney:

Southern LNG Company, L.L.C. ("Southern LNG") hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy an application for authorization to export previously imported liquefied natural gas (LNG) from its existing LNG import terminal in Chatham County, Georgia for a two-year period, commencing on the earlier of 1) the date when all Movable Modular Liquefaction System ("MMLS") units associated with the Elba Liquefaction Project have been placed in service or 2) April 1, 2021, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire<sup>1</sup> to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. Southern LNG requests this authorization both on its own behalf and when acting as agent on behalf of other entities who themselves hold title to the LNG, after registering each such entity with DOE/FE in according with the established procedures.

Southern LNG has paid the amount of \$50.00 by credit card as payment of the applicable filing fee as required in 10 C.F.R. § 590.207.

Respectfully submitted,



Margaret G. Coffman  
Assistant General Counsel

Enclosures

<sup>1</sup> On July 6, 2018, in DOE/FE Order No. 4206 ("Order No. 4206"), DOE/FE authorized Southern LNG to engage in short-term exports in a volume equivalent to 255 Bcf, on a cumulative basis, of LNG that has been domestically produced or previously imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing the earlier of the date of initial export from the Elba Island Terminal or March 31, 2019. *Southern LNG Company, L.L.C.*, DOE/FE Order No. 4206 (July 6, 2018). The first export of LNG was completed on December 13, 2019.

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

Southern LNG Company, L.L.C.                             )  
   )  
   )  
   )  
   )  
   )

FE Docket No. 20-99-LNG

**APPLICATION OF SOUTHERN LNG COMPANY, L.L.C.  
FOR BLANKET AUTHORIZATION  
TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS**

Communications with respect to this  
Application should be addressed to:

Patricia S. Francis  
Vice President & Managing Counsel  
569 Brookwood Village; Suite 749  
Birmingham, AL 35209  
Telephone: (205) 325-7696  
Email: [patricia\\_francis@kindermorgan.com](mailto:patricia_francis@kindermorgan.com)

Margaret G. Coffman  
Asst. General Counsel  
569 Brookwood Village; Suite 749  
Birmingham, AL 35209  
Telephone: (205) 325-7424  
Email: [meghan\\_coffman@kindermorgan.com](mailto:meghan_coffman@kindermorgan.com)

## TABLE OF CONTENTS

	Page
<b>I. DESCRIPTION OF THE APPLICANT .....</b>	<b>2</b>
<b>II. COMMUNICATIONS .....</b>	<b>2</b>
<b>III. BACKGROUND AND EXISTING AUTHORIZATIONS .....</b>	<b>2</b>
<b>IV. AUTHORIZATION REQUESTED.....</b>	<b>4</b>
<b>V. PUBLIC INTEREST .....</b>	<b>7</b>
<b>VI. ENVIRONMENTAL IMPACT .....</b>	<b>8</b>
<b>VII. APPENDICES.....</b>	<b>9</b>
<b>VIII. CONCLUSION.....</b>	<b>10</b>

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

**Southern LNG Company, L.L.C.** )  
 ) **FE Docket No. 20 -99-LNG**  
 )  
 )  
 )

**APPLICATION OF SOUTHERN LNG COMPANY, L.L.C.  
FOR BLANKET AUTHORIZATION  
TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”),<sup>1</sup> and Part 590 of the Department of Energy’s (“DOE”) regulations,<sup>2</sup> Southern LNG Company, L.L.C. (“Southern LNG”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”) issue an order granting blanket authorization for Southern LNG to engage in exports of Liquefied Natural Gas (“LNG”) that has been previously imported into the U.S. from foreign sources. Southern LNG herein seeks to export previously imported LNG from the Elba Island terminal (“SLNG Terminal”) for a two-year period, commencing on the earlier of 1) the date when all Movable Modular Liquefaction System (“MMLS”) units associated with the Elba Liquefaction Project have been placed in service or 2) April 1, 2021, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire<sup>3</sup> to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. Southern LNG requests

---

<sup>1</sup> 15 U.S.C. § 717b (2012).  
<sup>2</sup> 10 C.F.R. Part 590 (2017).  
<sup>3</sup> On July 6, 2018, in DOE/FE Order No. 4206 (“Order No. 4206”), DOE/FE authorized Southern LNG to engage in short-term exports in a volume equivalent to 255 Bcf, on a cumulative basis, of LNG that has been domestically produced or previously imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing the earlier of the date of initial export from the Elba Island Terminal or March 31, 2019. *Southern LNG Company, L.L.C.*, DOE/FE Order No. 4206 (July 6, 2018). The first export of LNG was completed on December 13, 2019.

this authorization both on its own behalf and when acting as agent on behalf of other entities who themselves hold title to the LNG, after registering each such entity with DOE/FE in accordance with the established procedures.

In support of this Application, Southern LNG states as follows:

**I.  
DESCRIPTION OF THE APPLICANT**

The exact legal name of the applicant is Southern LNG Company, L.L.C. Southern LNG is a limited liability company formed under the laws of Delaware with its principal place of business at 569 Brookwood Village, Birmingham, Alabama 35209. Southern LNG is a wholly-owned indirect subsidiary of Kinder Morgan, Inc.

**II.  
COMMUNICATIONS**

The persons to whom correspondence and communications concerning this Application should be directed and upon whom service is to be made are as follows:

Patricia S. Francis  
Vice President & Managing Counsel  
Southern LNG Company, L.L.C.  
569 Brookwood Village  
Birmingham, Alabama 35209  
(205) 325-7696  
patricia\_francis@kindermorgan.com

Margaret G. Coffman  
Asst. General Counsel  
Southern LNG Company, L.L.C.  
569 Brookwood Village  
Birmingham, Alabama 35209  
(205) 325-7424  
meghan\_coffman@kindermorgan.com

These persons are designated to receive service and should be placed on the official service list for this proceeding.

**III.  
BACKGROUND AND EXISTING AUTHORIZATIONS**

The Federal Energy Regulatory Commission authorized the siting, construction and operation of the Elba Liquefaction Project in 2016. *See Elba Liquefaction Company, L.L.C., et al.*, 155 FERC ¶ 61,219 (2016), *reh'g denied*, 157 FERC ¶ 61,195 (2016). The Elba Liquefaction

Project includes ten MMLS units that will create a total liquefaction capacity of approximately 2.5 MTPA of LNG and other related facilities, as fully explained in the FERC Order. As of July 17, 2020, Elba Liquefaction Company, L.L.C. (“ELC”) and Southern LNG have commenced service for the placed nine MMLS units in service, Balance of Plant, and Terminal Upgrades, respectively.<sup>4</sup> ELC is completing start-up activities and commissioning activities for the remaining MMLS unit. The Terminal at Elba Island will have the capability to both import and export LNG supplies.

Southern LNG currently holds the following DOE/FE authorizations to export LNG from the Elba Liquefaction Project (collectively, the “DOE Export Orders”):

1. Order No. 3106<sup>5</sup> granting long-term authorization to export 0.5 Bcf per day (“Bcf/d”) (or 182.5 Bcf) per year of LNG to free trade agreement (“FTA”) nations, issued June 15, 2012;
2. Order No. 3956<sup>6</sup> granting long-term authorization to export 0.36 Bcf/d (130 Bcf/year) of LNG to Non-FTA nations, issued December 16, 2016; and
3. Order No. 4206 granting short-term authorization to export 255 Bcf/year of LNG to FTA and Non-FTA nations for a two-year period, issued July 6, 2018.

---

<sup>4</sup> The following units have been placed in service: MMLS #1 on September 30, 2019, MMLS #2 on January 16, 2020, MMLS #3 on November 26, 2019, MMLS #4 on December 30, 2019, MMLS #5 on March 2, 2020, MMLS #6 on April 20, 2020, MMLS #8 on July 17, 2020, MMLS #9 on July 28, 2020, and MMLS #10 on August 10, 2020 .

<sup>5</sup> See *Southern LNG Company, L.L.C.*, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal to Free Trade Agreement Nations, DOE/FE Order No. 3106 (June 15, 2012) (hereinafter *Order No. 3106*).

<sup>6</sup> See *Southern LNG Company, L.L.C.*, Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal in Chatham County, Georgia to Non-Free Trade Agreement Nations, DOE/FE Order No. 3956 (December 16, 2016) (hereinafter *Order No. 3956*).

The volumes authorized in Order Nos. 3106, 3956 and 4206 are not additive. DOE/FE authorized Southern LNG to export the LNG as agent for other entities that will hold title to the LNG pursuant to one or more contracts, after registering each such entity with DOE/FE.

Southern LNG's customer, Shell NA LNG LLC, holds a DOE/FE authorization issued in Order 4511 to import LNG from various international sources by vessel, in a volume equivalent to 1,200 Bcf/d, for a two-year term extending through March 1, 2022.<sup>7</sup>

#### **IV. AUTHORIZATION REQUESTED**

Construction of the MMLS units are nearing completion. In this regard, Southern LNG requests blanket authorization to export previously imported LNG up to the amounts previously authorized under the DOE Export Orders during any consecutive 12-month period. Specifically, Southern LNG is not seeking to increase its long-term export authority under the DOE Export Orders of 182.5 Bcf to FTA countries and 130 Bcf to non-FTA countries. The volumes authorized herein are not intended to be additive of those authorized for export in Order Nos. 3106 and 3956. Currently, Southern LNG does not segregate its tanks to distinguish between imported LNG and LNG produced by Elba Liquefaction Company and delivered to Southern LNG. It maintains the storage quantities of its customers in inventory as one total volume. Previously imported LNG is combined in storage with LNG produced by the liquefaction process at Elba and then re-exported as part of such blended mixture. In addition, in certain operational circumstances, co-mingled LNG may be cycled through the facility and then re-liquefied at the Terminal, and some of the resulting volumes could subsequently be exported. Given these possibilities, Southern LNG respectfully requests that the blanket authorization issued herein allow for exportation of gas that may have

---

<sup>7</sup> See *Shell NA LNG LLC*, Order Granting Blanket Authorization to Import Liquefied Natural Gas From Various International Sources by Vessel, DOE/FE Order No. 4541 (March 2, 2020) (hereinafter *Order No. 4511*).

been previously imported as LNG from foreign sources. That LNG will either be re-exported or re-gasified to be consumed in the domestic natural gas market depending on the demand for gas, the shippers' nominations pursuant to SLNG's FERC Gas Tariff, the availability of pipeline capacity, and U.S. and global market conditions. Such flexibility proposed hereunder will allow for service to the U.S. where market conditions permit and service for export when market conditions permit without having to arbitrarily segregate LNG, thereby restricting its use by both markets. No physical modifications to the Elba Island Terminal are required to accommodate the authorization requested herein. There are no other proceedings related to this application currently pending before DOE or any other federal agency. Southern LNG is requesting authorization for two years<sup>8</sup> for such exports that have previously been imported and requests confirmation that it may be permitted to extend such authorization so long as Southern LNG or its customer, Shell NA LNG LLC, have authorization to import LNG to the Elba Island Terminal.

Southern LNG requests such authorization to export such previously imported LNG on its own behalf or as agent for third parties who themselves may hold title to the LNG at the point of export. Southern LNG will comply with all DOE/FE requirements for exporters and agents including as first established in Order No. 3106.<sup>9</sup> In this regard, Southern LNG, when acting as agent, will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to: (1) comply with all requirements in Southern LNG's export authorization; and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

---

<sup>8</sup> Southern LNG is requesting for such two year period to commence on the earlier of 1) the date when all Movable Modular Liquefaction System ("MMLS") units associated with the Elba Liquefaction Project have been placed in service or 2) April 1, 2021, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire.

<sup>9</sup> *Order No. 2913*, supra note 4.





**V.**  
**PUBLIC INTEREST**

In evaluating an export application, DOE/FE has consistently applied the principles described in DOE Delegation Order No. 0204-111 (which focuses primarily on domestic need for the gas to be exported) and the Secretary's natural gas policy guidelines.<sup>10</sup> Southern LNG's proposal to export LNG to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with NGA Section 3 and DOE/FE guidelines.

In approving the DOE Export Orders, DOE/FE conducted an extensive public interest review of exports from the Elba Liquefaction Project. DOE/FE consistently held that such exports would result in significant benefits and are not inconsistent with the public interest.<sup>11</sup> The volumes proposed for export herein will be consistent with volumes exported under the DOE Export Orders and will not exceed 182.5 Bcf to FTA countries and 130 Bcf to non-FTA countries during any consecutive 12-month period, and therefore the public interest impacts of the total exports will not increase as a consequence of DOE/FE's approval of the Application in this proceeding. Consequently, no additional public interest review beyond that conducted in the earlier DOE Export Orders is warranted.<sup>12</sup>

In DOE/FE Order No. 4545 ("Order No. 4545") issued on June 4, 2020, DOE/FE authorized the export of previously imported LNG citing authoritative data that substantiates U.S.

---

<sup>10</sup> See *New Policy Guidelines and Delegation Orders From Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

<sup>11</sup> See *DOE Export Orders*, *supra* notes 4 - 5.

<sup>12</sup> See, e.g., *Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, DOE/FE Order No. 3767 at 10, Docket No. 15-171-LNG (January 13, 2016).

consumer access to ample volumes of natural gas to meet domestic demand.<sup>13</sup> Specifically, DOE/FE took administrative notice that the Energy Information Administration (“EIA”) Annual Energy Outlook 2020 (“AEO2019”) shows annual domestic dry natural gas production in 2021 of 33.70 Tcf, with total natural gas consumption projected to be 31.92 Tcf in the same year.<sup>14</sup> In this regard, DOE/FE found that AEO2020 supports the conclusion that volumes of foreign-sourced LNG are not needed to meet domestic demand.<sup>15</sup>

Granting Southern LNG’s blanket authorization as requested herein would provide Southern LNG and its customers with the necessary flexibility it requires to respond to changes in domestic and global markets for natural gas and LNG. Natural gas derived from imported LNG would be available to supply local markets when market conditions support greater domestic use, and would thereby serve to moderate U.S. gas price volatility. Furthermore, the ability to re-export previously imported LNG helps to encourage continued imports, which in turn helps to ensure that the SLNG Terminal will more efficiently remain ready to serve both domestic and global markets. As such, the requested export authorization is consistent with the public interest.

For the foregoing reasons, the authorization requested herein is not inconsistent with, and clearly serves, the public interest.

## **VI. ENVIRONMENTAL IMPACT**

As previously noted, FERC completed its environmental review of the Elba Liquefaction Project, satisfying the obligations of NEPA, in FERC Docket CP14-103, and DOE independently

---

<sup>13</sup> Sabine Pass Liquefaction, LLC, DOE/FE Order No. 4545 at 7.

<sup>14</sup> *Id.* at 8.

<sup>15</sup> *Id.*

reviewed and adopted that environmental analysis in DOE/FE Order No. 3596. The FERC order included extensive environmental conditions related to the Elba Liquefaction Project.

No new construction or changes to the Elba Liquefaction Project facilities will be required for the comingled exports for which blanket authorization is requested herein. DOE regulations at 10 CFR Part 1021, Subpart D, Appendix B5, provide a list of categorical exclusions from the preparation of an environmental analysis or environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321, i.) (“NEPA”). Specifically, categorical exclusion B5.7 provides for an exclusion where approvals of authorizations to import or export natural gas under NGA section 3 involve minor operational changes but no new construction. Southern LNG’s export of previously imported LNG falls within this categorical exclusion and no further environmental analysis is required.

Therefore, the proposal does not constitute a major federal action significantly affecting the quality of the human environment within the meaning of NEPA consistent with DOE/FE regulations and precedent. The authorization requested herein is categorically excluded from review under the National Environmental Policy Act.<sup>16</sup>

## **VII. APPENDICES**

The following appendices are included herewith:

Appendix A: Verification

Appendix B: Opinion of Counsel

---

<sup>16</sup> 42 U.S.C. §§4321, *et seq.*; *see, e.g., Cameron LNG, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal Located in Cameron and Calcasieu Parishes, Louisiana, DOE/FE Order No. 3904 at 11, Docket No. 16-34-LNG (October 3, 2016); *Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, DOE/FE Order No. 3767 at 13, Docket No. 15-171-LNG (January 13, 2016).

**VIII.  
CONCLUSION**

Based on the reasons discussed above, Southern LNG respectfully requests that the DOE/FE determine that Southern LNG's request for blanket authorization as discussed herein, and grant such authorization as expeditiously as possible but no later than September 30, 2020.

Respectfully submitted,

*Patricia S. Francis*

---

Patricia S. Francis  
Margaret G. Coffman  
*Attorneys for  
Southern LNG Company, L.L.C.*

Dated: August 17, 2020

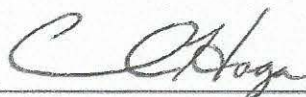
## **Appendix A**

VERIFICATION

State of Alabama )

County of Jefferson )

BEFORE ME, the undersigned authority, on this day personally appeared Carl Haga, who having been be me first duly sworn, on oath says that he is the Vice President for Southern LNG Company, L.L.C., and is duly authorized to make this Verification; 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.



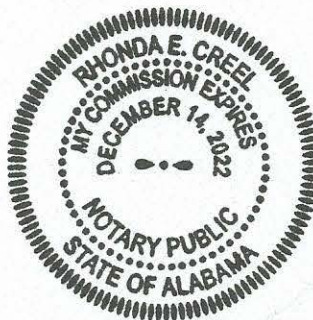
Carl Haga

SWORN TO AND SUBSCRIBED before me on the 17<sup>m</sup> day of August, 2020.



Name: Rhonda E. Creel

Title: Notary Public



## **Appendix B**





Southern LNG  
Company, L.L.C.  
a Kinder Morgan company

August 17, 2020

Ms. Amy Sweeney  
Office of Fossil Energy  
U.S. Department of Energy  
FE-34  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, DC 20585

**RE: Southern LNG  
DOE/FE Docket No. 20-\_\_\_-LNG  
Application for Blanket Authorization to Export LNG**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c). I am the duly authorized representative for Southern LNG Company, L.L.C. (collectively, "Southern LNG"). I have reviewed the organizational and internal governance documents of Southern LNG and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the proposed short-term exports of liquefied natural gas by Southern LNG, as described in the above-referenced application, are within the partnership and company powers of Southern LNG.

Respectfully submitted,

*Patricia S. Francis*

---

Patricia S. Francis  
Vice President & Managing Counsel