

 ORIGINAL

Sempra LNG Marketing, LLC

September 2, 2010

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3E-042
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585



10-110-LNG

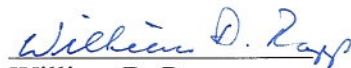
**Re: Sempra LNG Marketing, LLC
FE Docket No. 10-__-LNG
Application for Blanket Authorization to Export Liquefied Natural
Gas on a Short-Term Basis**

Dear Mr. Anderson:

Sempra LNG Marketing, LLC ("Sempra LNG Marketing") hereby submits one original and 15 copies of an application for blanket authorization to export up to a cumulative total of 250 billion cubic feet of foreign-sourced liquefied natural gas ("LNG") over a two-year period commencing on February 1, 2011. As reflected in the enclosed application, Sempra LNG is requesting that such blanket authorization permit it to export LNG to country with which trade is not prohibited by United States law or policy.

Enclosed is a check in the amount of \$50.00, in payment of the applicable filing fee.

Respectfully submitted,



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

Enclosures

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



Sempra LNG Marketing, LLC

Docket No. 10 - 110 - LNG

**APPLICATION OF SEMPRA LNG MARKETING, LLC FOR BLANKET
AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act¹ and Part 590 of the regulations of the Department of Energy ("DOE"),² Sempra LNG Marketing, LLC ("Sempra LNG Marketing") submits this application ("Application") for blanket authorization to export up to a total of 250 billion cubic feet ("Bcf") of foreign-sourced liquefied natural gas ("LNG") for a two-year period commencing on February 1, 2011. Sempra LNG Marketing requests that such authorization allow it to export foreign-sourced LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by United States law or policy.

In support of this Application, Sempra LNG Marketing respectfully states the following:

¹ 15 U.S.C. § 717b.

² 10 C.F.R. Part 590 (2010).

I.

DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Sempra LNG Marketing, LLC. Sempra LNG Marketing is a limited liability company organized under the laws of the State of Delaware. Sempra LNG Marketing is a wholly-owned subsidiary of Sempra LNG, a Delaware corporation. Sempra LNG, through its other subsidiaries, owns and operates LNG receipt and storage terminals in North America, including the Cameron LNG terminal in Cameron Parish, Louisiana (“Cameron Terminal”).

Sempra LNG Marketing is engaged in the business of purchasing and marketing supplies of LNG. Sempra LNG Marketing is a customer of the Cameron Terminal. On June 22, 2010, the Office of Fossil Energy (“OFE”) issued DOE/OFE Order No. 2806, which granted Sempra LNG Marketing blanket authorization to import LNG from various international sources for a two-year period commencing on September 1, 2010.³

II.

COMMUNICATIONS

Communications regarding this filing should be directed to the following person:

³ DOE/OFE Order No. 2806 replaces DOE/OFE Order No. 2519, which expired on August 31, 2010.

William D. Rapp
Sempra LNG Marketing, LLC
101 Ash Street
San Diego, CA 92101
Telephone: 619-699-5050
wrapp@sempraglobal.com

III.

REQUESTED AUTHORIZATION

Pursuant to this Application, Sempra LNG Marketing is seeking blanket authorization to export for a two-year period up to a cumulative total of 250 Bcf of LNG that has been imported into the United States from foreign sources. Sempra LNG Marketing requests that such blanket authorization provide for export to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by United States law or policy.

Currently, Sempra LNG Marketing uses its blanket DOE/OFE import authorization and its capacity in the Cameron Terminal to receive, store and send out to domestic markets cargoes of LNG that have been imported from foreign countries. The requested blanket export authorization would provide Sempra LNG Marketing the additional option of exporting volumes of foreign-sourced LNG that are not needed to serve the domestic market. Cameron LNG is not proposing, and is not hereby seeking authorization, to export any domestically produced natural

gas or LNG. This Application seeks authorization only to export LNG that has previously been imported into the United States.

No facility modifications or additions are required in order for Sempra LNG Marketing to export foreign-sourced LNG from the Cameron Terminal. Cameron LNG (the owner and operator of the Cameron Terminal) will, however, file an application with the Federal Energy Regulatory Commission under Section 3(a) of the Natural Gas Act for the necessary authorizations to operate the Cameron Terminal for the additional purpose of providing LNG export services to its customers, including Sempra LNG Marketing.

IV.

PUBLIC INTEREST

The purpose of this Application is to enable Sempra LNG Marketing to export quantities of LNG that have been imported into the United States and that are not needed to serve domestic markets. The requested blanket export authorization will allow Sempra LNG Marketing to purchase LNG at prevailing international prices for import to the United States, even when prices in other markets may be higher, by giving it the ability to store LNG at the Cameron Terminal (or, potentially, other locations) and later sell it in the most competitive market.

This ability to react to changing market conditions by either importing LNG for sale in the U.S. or importing LNG for subsequent export to other markets will enhance the potential supply and moderate the price of natural gas in the U.S. market. When gas supplies are in balance with domestic demand, LNG will be imported and used to supplement domestic gas supplies. When there is a surplus of domestic gas supplies, as at the present time, there will be the opportunity to import LNG with the ability to later export it to serve other markets. Since Sempra LNG Marketing would export only foreign-sourced LNG, the requested authorization would not negatively affect the availability of domestic gas supplies.

The requested authorization, of course, does not mandate or require that Sempra LNG Marketing export foreign-sourced LNG. Sempra LNG Marketing will continue to supply the domestic market with the LNG it imports to the extent that there is domestic demand for such imports. However, given current market conditions, and the difficulty in attracting LNG supplies for the sole purpose of serving the U.S. market, the requested authorization will allow Sempra LNG the flexibility to export LNG to foreign markets when there is insufficient U.S. demand.

Section 3 of the Natural Gas Act provides that exports to foreign countries will be authorized unless there is a finding that such exports “will not be consistent

with the public interest.”⁴ In reviewing an export application, OFE applies the principles set forth in DOE Delegation Order No. 0204-111, which focuses primarily on the domestic need for the gas to be exported and the Secretary of Energy’s natural gas policy guidelines.⁵ DOE/OFE has recently issued blanket LNG export authorizations to other applicants, in each case finding that existing domestic supplies are sufficient to serve U.S. markets, without reliance on imported LNG supplies.⁶

In the most recent of those orders, issued on June 1, 2010 to Cheniere Marketing, LLC, DOE/OFE found that “United States consumers presently have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which [Cheniere Marketing] seeks to export.”⁷ In support of that finding, DOE/OFE cited, among other sources, both its 2010 Annual Energy Outlook and additional independently produced publicly available data. In light of the sufficiency and diversity of domestic supplies, and the benefits described above that would result from the ability to export foreign-sourced LNG, the requested blanket authorization is consistent with the public interest.

⁴ 15 U.S.C. § 717b. Section 3 of the Natural Gas Act creates a statutory presumption that this Application is in the public interest, which opponents bear the burden of rebutting. *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (1987).

⁵ 49 Fed. Reg. 6684, February 22, 1984.

⁶ *Cheniere Marketing, LLC*, FE 10-31-LNG, DOE/OFE Order No. 2795 (June 1, 2010); *Freeport LNG Development, L.P.*, FE 08-70-LNG, DOE/OFE Order No. 2644-B (May 11, 2010); *ConocoPhillips Company*, FE 09-92-LNG, DOE/OFE Order No. 2731 (November 30, 2009).

⁷ *Cheniere Marketing, LLC*, DOE/OFE Order No. 2795 at 7.

V.

ENVIRONMENTAL IMPACT

As stated above, no new facilities (or modifications to any existing facilities) at the Cameron Terminal would be required in order for Sempra LNG to export LNG from that facility. Exports of LNG from the Cameron Terminal also would not increase the number of LNG carriers that the Cameron Terminal is designed and authorized to accommodate. Approval of this Application would therefore not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act.⁸

VI.

APPENDICES

The following exhibits are submitted as part of this Application:

Appendix A Verification

Appendix B Opinion of Counsel

VII.

CONCLUSION

WHEREFORE, for the reasons set forth above, Cameron LNG respectfully requests that OFE grant the blanket export authorization requested herein.

⁸ 42 U.S.C. § 4231, *et seq.*

Dated: September 2, 2010

Respectfully submitted,

Sempra LNG Marketing, LLC

By: William D. Rapp
William D. Rapp
101 Ash Street
San Diego, CA 92101
Telephone: (619) 699-5050
Email: wrapp@sempraglobal.com

Attorney for Sempra LNG Marketing, LLC

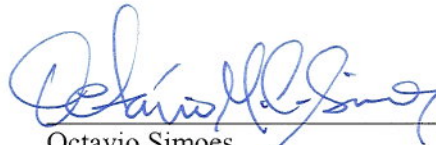
APPENDIX A

VERIFICATION


State of California)

County of San Diego)

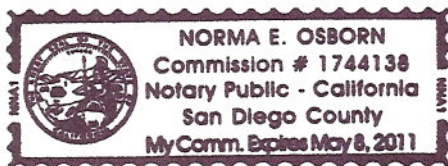
BEFORE ME, the undersigned authority, on this day personally appeared Octavio Simoes, who, having been by me first duly sworn, on oath says that he is the Vice President of Semptra LNG Marketing, LLC and is duly authorized to make this Verification; that he has read the foregoing instrument and that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


Octavio Simoes

SWORN TO AND SUBSCRIBED before me on the 1st day of September, 2010.


Name: NORMA E. OSBORN

Title: Notary Public



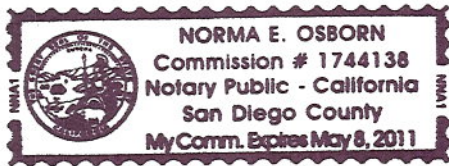
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

On September 1, 2010 before me, Norma E. Osborn, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Octavio M.C. Simoes
Name(s) of Signer(s)



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 Norma E. Osborn
Signature of Notary Public

Place Notary Seal Above

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: VERIFICATION - APPLICATION FOR SLNG MARKETING TO EXPORT LNG

Document Date: September 1, 2010 Number of Pages: 9

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☒ Corporate Officer — Title(s): VICE PRESIDENT
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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OF SIGNER
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APPENDIX B

Sempra LNG Marketing, LLC

September 2, 2010

Office of Fuels Programs, 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: Sempra LNG Marketing, LLC
Application for Blanket Authorization to Export Liquefied Natural
Gas**

Dear Sir or Madam:

This opinion is submitted pursuant to Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. §590.202(c) (2010). The undersigned is counsel to Sempra LNG Marketing, LLC ("Sempra LNG Marketing"). I have reviewed the organizational documents and other materials relating to Sempra LNG Marketing. Based upon such review, it is my opinion that the proposed export of foreign-sourced liquefied natural gas by Sempra LNG Marketing to any country with which trade is not prohibited by U.S. law or policy is within Sempra LNG Marketing's powers as a limited liability company. Sempra LNG Marketing is also authorized to conduct business in the State of Louisiana and to engage in foreign commerce.

Respectfully submitted,



William D. Rapp
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