



eni usa gas marketing

Eni USA Gas Marketing LLC
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10-152-LNG

ORIGINAL

November 30, 2010

Mr. John Anderson
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: **Eni USA Gas Marketing LLC**
FE Docket No. 10-15-LNG
Application for Blanket Authorization to Export Liquefied Natural Gas on a
Short- Term Basis

Dear Mr. Anderson:

Eni USA Gas Marketing LLC ("Eni USA Gas Marketing") hereby submits one original and fifteen copies of an application for blanket authorization to re-export up to a cumulative total of 100 billion cubic feet of foreign-sourced liquefied natural gas ("LNG") over a two-year period.

As reflected in the enclosed application, Eni USA Gas Marketing is requesting that such blanket authorization permit it to export LNG to any 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 pursuant to 10 C.F.R. § 590.207. Thank you for your attention to this matter. If you have any questions regarding this filing, please contact the undersigned at the number provided below.

Respectfully submitted,

Susan Lindberg
General Counsel, Eni Petroleum Co. Inc.
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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

Eni USA Gas Marketing LLC

Docket No. 10 -52 LNG

**APPLICATION OF ENI USA GAS MARKETING LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS ON A
SHORT-TERM BASIS**

Pursuant to Section 3 of the Natural Gas Act ("NGA")¹ and Part 590 of the Department of Energy's ("DOE") regulations,² Eni USA Gas Marketing LLC ("Eni USA Gas Marketing") hereby requests that DOE, Office of Fossil Energy ("DOE/FE"), issue an order approving this application ("Application") for blanket authorization to export up to a total of approximately 100 billion cubic feet (100 Bcf), on a cumulative basis, of previously-imported, foreign-sourced liquefied natural gas ("LNG") for a two-year period commencing no later than March 1, 2011. Eni USA Gas Marketing is seeking authorization to export such previously-imported LNG from the Cameron LNG Terminal, owned by Cameron LNG, LLC, in Cameron Parish, Louisiana (the "Cameron Terminal"). Eni USA Gas 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. Good cause exists to grant the requested authorization for the reasons stated below.

In support of this Application, Eni USA Gas Marketing respectfully states the following:

¹ 15 U.S.C. § 717b (2010).

² 10 C.F.R. Part 590 (2010).

I. DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Eni USA Gas Marketing LLC. Eni USA Gas Marketing is a limited liability company organized under the laws of the State of Delaware. Eni USA Gas Marketing is a wholly-owned subsidiary of Eni Petroleum Co. Inc., a Delaware corporation. Eni USA Gas Marketing is engaged in the business of purchasing and marketing supplies of natural gas and LNG.

Eni USA Gas Marketing is a customer of the Cameron Terminal. On May 12, 2010, the DOE/FE issued Order No. 2786, which granted Eni USA Gas Marketing blanket authorization to import LNG up to the equivalent of 400 Bcf of natural gas from various international sources. Pursuant to this blanket authorization, Eni USA Gas Marketing may import LNG at any LNG receiving facility in the United States and its territories for a two-year period that commenced on May 12, 2010.

II. COMMUNICATIONS AND CORRESPONDENCE

All communications and correspondence concerning this application, including all service of pleadings and notices, should be directed to the following persons:

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III. REQUESTED AUTHORIZATION

Pursuant to this Application, Eni USA Gas Marketing is seeking blanket authorization to export up to a cumulative total of 100 Bcf of LNG that has been imported into the United States from foreign sources. Eni USA Gas Marketing requests that such blanket authorization provide for the export of previously-imported LNG from the Cameron Terminal 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. Eni USA Gas Marketing requests that this authorization to export LNG be effective for a two-year period beginning on the date that such authorization is granted, but in any event no later than March 1, 2011. Under the authorization sought here, Eni USA Gas Marketing does not request the authority to export any domestically-produced (e.g. produced in the U.S.) LNG or natural gas.

Eni USA Gas Marketing utilizes its blanket DOE/FE import authorization granted in Order No. 2786 and its capacity at the Cameron Terminal to receive and store LNG that it imports from foreign sources. Currently, all such imported cargos of LNG are sent by Eni USA Gas Marketing to domestic U.S. markets. The requested blanket export authorization would provide Eni USA Gas Marketing the additional option of exporting volumes of foreign-sourced, imported LNG that are not needed to serve these domestic U.S. markets. This Application seeks authorization only to export LNG that has been previously imported into the United States from foreign sources.

No new construction or facility modifications are required in order for Eni USA Gas Marketing to export volumes of foreign-sourced, imported LNG from the Cameron Terminal. On September 3, 2010, the owner of the Cameron Terminal, Cameron LNG, LLC, filed an application with the Federal Energy Regulatory Commission ("FERC") pursuant to Section 3(a)

of the NGA for the necessary authorizations to provide LNG export services to its customers at the Cameron Terminal, including Eni USA Gas Marketing. That application is currently pending before the FERC in Docket No. CP10-496-000. Cameron LNG, LLC requested that FERC grant the export services authorization on or before December 31, 2010 to enable it to begin offering export services from the Cameron Terminal no later than February 1, 2011.

IV. BACKGROUND

The purpose of this Application is to enable Eni USA Gas Marketing to export volumes of LNG that have been imported into the United States from foreign sources that are not needed to serve domestic U.S. markets. This would allow Eni USA Gas Marketing to purchase LNG at prevailing international prices for import to the United States and to potentially re-export such LNG when natural gas prices in the U.S. indicate that demand in this country is low compared to other world markets. With this authorization, Eni USA Gas Marketing would gain the ability to sell foreign-sourced, imported LNG in the most competitive market, either by regassifying the imported LNG and selling it in U.S. domestic markets where demand warrants, or by storing imported LNG and later selling it in other world markets where demand is higher. Eni USA Gas Marketing will thus be able to better contribute to the efficient allocation of natural gas supplies. When gas supplies are in balance with U.S. domestic demand, imported LNG will be used to supplement domestic gas supplies. When there is a surplus of U.S. domestic gas supplies, as there is at the present time, granting this authorization to Eni USA Gas Marketing will encourage the continued importation of foreign LNG to the U.S., which will contribute supplies to the domestic U.S. market once demand rises.

Because Eni USA Gas Marketing would export only foreign-sourced LNG, the requested authorization would not affect the availability of domestic U.S. gas supplies. Further, Eni USA

Gas Marketing will continue to supply the domestic U.S. market with the LNG it imports to the extent that there is domestic demand for such imports. 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 Eni USA Gas Marketing the flexibility needed to export LNG to foreign markets when U.S. domestic demand is insufficient.

V. PUBLIC INTEREST STANDARD

Section 3 of the NGA provides that exports to foreign countries must be authorized unless there is a finding that such exports "will not be consistent with the public interest."³ There is thus a presumption in favor of a finding that the Application is in the public interest that must be rebutted.⁴ In reviewing an application to export LNG under Section 3, DOE/FE applies the principles set forth in DOE Delegation Order No. 0204-111, focusing primarily on the domestic need for the gas to be exported, and the Secretary's natural gas policy guidelines.⁵ As detailed below, the blanket export authorization requested by this Application satisfies the public interest standard of Section 3 of the NGA, and is consistent with the authorizations recently granted by DOE/FE to other similarly situated parties.

In its order issued on October 5, 2010 granting LNG export authorization to the Dow Chemical Company, the DOE/FE considered another application to export LNG that was not produced domestically in the U.S. The DOE/FE stated that the fundamental question posed by such an application with respect to the public interest standard was whether the foreign-sourced

³ 15 U.S.C. § 717b(a).

⁴ See *Panhandle Producers & Royalty Owners Ass'n v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir 1987).

⁵ *Dow Chemical Co.*, FE 10-57-LNG, DOE/FE Opinion and Order No. 2859 at 3-4 (Oct. 5, 2010); see also 49 Fed. Reg. 6684, February 22, 1984.

LNG to be exported is needed to meet domestic demand.⁶ The order pointed to a number of factors indicating that U.S. consumers currently have access to substantial quantities of natural gas sufficient to meet U.S. domestic demand without drawing on the foreign-sourced LNG sought to be re-exported, including the fact that the DOE's Energy Information Agency forecasts increasing U.S. domestic shale gas production through 2015.⁷ The DOE/FE also took administrative notice in the order of evidence indicating increases in domestic gas production, decreases in domestic demand, and decreases in LNG and net natural gas imports.⁸ In another recent order granting LNG export authorization, issued on June 1, 2010 to Cheniere Marketing, LLC, DOE/FE 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."⁹ In support of that finding, DOE/FE cited evidence similar to that cited in the *Dow Chemical Company* order discussed above, demonstrating that U.S. consumers have access to substantial natural gas supplies sufficient to meet demand without the foreign-sourced LNG which the applicant sought to export.¹⁰

Like the successful applicants in *Dow Chemical Company* and *Cheniere Marketing, LLC*, Eni USA Gas Marketing seeks only to re-export foreign-sourced LNG, and will not draw any domestically produced natural gas supplies for export. Based on the same evidence so recently recognized by the DOE/FE in *Dow Chemical Co.* and *Cheniere Marketing, LLC* of decreasing

⁶ *Dow Chemical Co.*, FE 10-57-LNG, DOE/FE Opinion and Order No. 2859 at 4.

⁷ *Id.* at 4-5.

⁸ *Id.*

⁹ *Cheniere Marketing, LLC*, FE 10-31-LNG, DOE/FE Opinion and Order No. 2795 at 7 (June 1, 2010).

¹⁰ *Id.* at 7-8.

domestic demand, decreasing LNG imports and increasing domestic natural gas production, the requested blanket authorization is in the public interest. The foreign-sourced LNG that Eni USA Gas Marketing seeks to export is not needed to meet U.S. domestic market demand for natural gas. Just as the DOE/FE approved the applications for blanket authorization to re-export foreign LNG in *Dow Chemical Company* and *Cheniere Marketing, LLC*, Eni USA Gas Marketing requests that its Application be similarly approved as being in the public interest.

Finally, granting the blanket export authorization sought by this Application would encourage the continued importation of LNG into the U.S. by Eni USA Gas Marketing, since that authorization would afford the choice of selling that LNG into U.S. markets where demand warrants, or re-exporting that LNG to world markets where U.S. domestic demand is lacking. This optionality would be a strong incentive to continue to import foreign cargos of LNG that would be available for U.S. markets if and when demand increases.

In light of the sufficiency and diversity of domestic supplies recognized by the DOE/FE in recent orders, as well as the fact that the foreign-sourced LNG that Eni USA Gas Marketing seeks to export would not diminish domestic production or supply of natural gas, and based on the incentive that granting this authorization would give to Eni USA Gas Marketing to continue to import LNG to the U.S., the requested blanket authorization is consistent with the public interest and the Application should be granted.

VI. ENVIRONMENTAL IMPACT

No new facilities (or modifications to any existing facilities) at the Cameron Terminal would be required for Eni USA Gas Marketing 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 thus not constitute a federal action significantly affecting the human environment under the National Environmental Policy Act ("NEPA").¹¹ As the DOE/FE has recognized in similar cases, approval of this Application would not require an environmental impact statement or environmental assessment.¹²

VII. APPENDICES

The following appendices are attached hereto and incorporated by reference in this Application:

Appendix A: Verification

Appendix B: Opinion of Counsel

¹¹ 42 U.S.C. § 4321 *et seq.*

¹² *See, e.g., Cheniere Marketing, LLC*, FE 10-31-LNG, DOE/FE Opinion and Order No. 2795 at 7 (June 1, 2010).

VIII. CONCLUSION

WHEREFORE, for the reasons set forth above, Eni USA Gas Marketing respectfully requests that the DOE/FE issue an order granting Eni USA Gas Marketing a two-year blanket authorization to export from the Cameron Terminal up to approximately 100 Bcf, on a cumulative basis, of previously imported LNG from foreign sources to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy.

Dated: November 30, 2010

Respectfully submitted,

Eni USA Gas Marketing LLC

By: 

Susan Lindberg
General Counsel, Eni Petroleum Co. Inc.
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Houston, TX 77002
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APPENDIX A
VERIFICATION

VERIFICATION


County of Harris)
)
State of Texas)

I, Emanuele Calviello, being duly sworn on my oath, do hereby depose and say that I am President and CEO of Eni USA Gas Marketing LLC; that I am duly authorized to make this Verification; that I am familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.

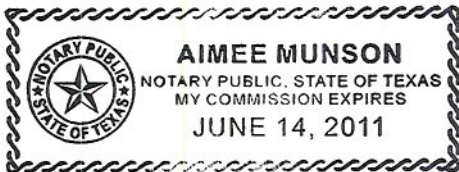


Emanuele Calviello

SWORN TO AND SUBSCRIBED before me on the 22 day of November, 2010.



Name: Aimee Munson
Title: Notary Public



APPENDIX B
OPINION OF COUNSEL



eni usa gas marketing

Eni USA Gas Marketing LLC
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Office of Fuels Programs, Fossil Energy
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Docket Room 3F-056, FE-50
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1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: Eni USA Gas Marketing LLC Application for Blanket Authorization to Export
Liquefied Natural Gas

Dear Sir or Madam:

This opinion of counsel 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 Eni USA Gas Marketing LLC ("Eni USA Gas Marketing"). I have reviewed the organizational documents and other materials relating to Eni USA Gas Marketing. Based upon such review, it is my opinion that the proposed export of foreign-sourced liquefied natural gas by Eni USA Gas Marketing to any country with which trade is not prohibited by U.S. law or policy is within Eni USA Gas Marketing's powers as a limited liability company. Eni USA Gas Marketing is also authorized to conduct business in the State of Louisiana and to engage in foreign commerce.

Respectfully submitted,

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