

December 17, 2013

VIA HAND DELIVERY

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

RE: Lake Charles Exports, LLC, Docket No. 11-59-LNG
Application to Amend Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Countries and Amendment to Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries

Dear Mr. Anderson:

On May 6, 2011, Lake Charles Exports, LLC (“LCE”) filed an application (“Application”) with the Office of Fossil Energy of the Department of Energy (“DOE/FE”) under Section 3 of the Natural Gas Act for long-term multi-contract authorization to export domestically produced liquefied natural gas to any country with which the United States has, or in the future may enter into, a free-trade agreement (“FTA”) requiring national treatment in natural gas and to any country with which the United States has not entered into a FTA requiring national treatment in natural gas. DOE/FE granted the FTA portion of the Application pursuant to Order No. 2987, dated July 22, 2011 (“FTA Authorization”), and conditionally granted the non-FTA portion of the Application pursuant to Order No. 3324, dated August 7, 2013 (“Non-FTA Authorization”).

LCE is hereby submitting an application to amend the FTA Authorization and an amendment to the Application as it pertains to the conditional Non-FTA Authorization.

Respectfully submitted,

/s/ Marshal S. McCrea III
Marshal S. (“Mackie”) McCrea III
President and Chief Operating Officer
Energy Transfer Partners, L.P.

/s/ Elizabeth Spomer
Elizabeth Spomer
Senior Vice President
BG Group

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

Lake Charles Exports, LLC

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Docket No. 11-59-LNG

**APPLICATION OF LAKE CHARLES EXPORTS, LLC TO AMEND
LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL
GAS TO FREE TRADE AGREEMENT COUNTRIES AND AMENDMENT TO
APPLICATION FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED
NATURAL GAS TO NON-FREE TRADE AGREEMENT COUNTRIES**

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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Lake Charles Exports, LLC)
) Docket No. 11-59-LNG
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NATURAL GAS TO NON-FREE TRADE AGREEMENT COUNTRIES**

On May 6, 2011, Lake Charles Exports, LLC (“LCE”) filed an application (“Application”) with the Office of Fossil Energy of the Department of Energy (“DOE/FE”) under Section 3 of the Natural Gas Act for long-term multi-contract authorization to export domestically produced liquefied natural gas (“LNG”) to any country with which the United States has, or in the future may enter into, a free-trade agreement (“FTA”) requiring national treatment in natural gas and to any country with which the United States has not entered into a FTA requiring national treatment in natural gas. DOE/FE granted the FTA portion of the Application pursuant to Order No. 2987, dated July 22, 2011 (“FTA Authorization”),¹ and conditionally granted the non-FTA portion of the Application pursuant to Order No. 3324, dated August 7, 2013 (“Non-FTA Authorization” and, collectively with the FTA Authorization, the “Authorizations”).²

LCE is hereby submitting an application to amend the FTA Authorization and an amendment to the Application as it pertains to the conditional Non-FTA Authorization.³ The

¹ *Lake Charles Exports, LLC*, DOE/FE Order No. 2987 (July 22, 2011).

² *Lake Charles Exports, LLC*, DOE/FE Order No. 3324 (Aug. 7, 2013).

³ The bifurcated nature of this pleading is due to the fact that Order No. 2987 is a final order and Order No. 3324 is a conditional order. Rule 204 of DOE/FE’s regulations permits an applicant to amend an application “at any time prior to the Assistant Secretary’s final opinion and order resolving the application.” 10 C.F.R. § 590.204 (2013). Because Order No. 3324 is a conditional order, LCE requests that DOE/FE treat the portions of this

purpose of the amendments is to provide LCE with the same flexibility in structuring commercial arrangements to export LNG from the LNG terminal and the proposed liquefaction project in Lake Charles, Louisiana (“Lake Charles Terminal”) owned by Trunkline LNG Company, LLC and Trunkline LNG Export, LLC, respectively, as has been granted in other authorizations issued by DOE/FE. Specifically, LCE seeks to amend the Authorizations (i) to allow LCE to act as agent for multiple entities that hold title to LNG at the point of export, after registering such entities with DOE/FE and (ii) to permit entities exporting LNG pursuant to the Authorizations to sell the LNG to purchasers other than LCE. LCE also requests that DOE/FE conform the monthly reporting requirement in the FTA Authorization to the monthly reporting requirement in the Non-FTA Authorization.

In support of this Application, LCE respectfully states the following:

I. COMMUNICATIONS

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

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pleading that pertain to Order No. 3324 as an amendment to LCE’s Application. Rule 204 does not, however, apply to Order No. 2987. Accordingly, LCE requests that DOE/FE treat the portions of this pleading that pertain to Order No. 2987 as an application to amend Order No. 2987. For ease of comprehension, LCE refers to the relief requested herein generally as amendments to the Authorizations.

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II. THE AUTHORIZATIONS

In the Application, LCE sought authorization to export up to 15 million tons per year of domestically produced LNG, which is equivalent to 730 Bcf per year of natural gas. At the time the Application was filed, BG LNG Services, LLC (“BGLS”) was, and continues to be, the sole holder of capacity in the Lake Charles Terminal. Accordingly, LCE sought authorization to export LNG on its own behalf or as agent for BGLS but not for any other party. LCE also stated that it intended to purchase all of the LNG produced at the Lake Charles Terminal at the point of export from BGLS pursuant to a long-term LNG export contract. The Authorizations grant the requests contained in the Application, authorizing LCE to export LNG on its own behalf or as agent for BGLS and noting that LCE intends to purchase the LNG produced at the Lake Charles Terminal from BGLS.

III. AMENDMENTS REQUESTED

LCE requests that DOE/FE amend the Authorizations in three respects. First, LCE requests authorization to export LNG on its own behalf or as agent for any other entities that may hold title to LNG at the point of export after registering such entities with DOE/FE. When acting as agent, LCE will register with the DOE/FE each LNG title holder for which LCE seeks to export LNG as agent. LCE will provide the DOE/FE with registration materials that include an acknowledgement and agreement by the LNG title holder to supply information necessary to

permit LCE to register that person or entity with DOE/FE, including (i) the LNG title holder's agreement to comply with any order issued by DOE/FE pursuant to this Application and all applicable requirements of DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination restrictions; (ii) the exact legal name of the LNG title holder, state/location of incorporation/registration, primary place of doing business, and the LNG title holder's ownership structure, including the ultimate parent entity if the registrant is a subsidiary or affiliate of another entity; (iii) the name, title, mailing address, e-mail address, and telephone number of a corporate officer or employee of the LNG title holder to whom inquiries may be directed; (iv) within 30 days of execution, a copy, filed with DOE/FE of any long-term contracts, not previously filed with DOE/FE, including both a non-redacted copy for filing under seal and either (x) a redacted version of the contract or (y) major provisions of the contract, for public posting.⁴

Second, LCE requests that entities exporting LNG pursuant to the Authorizations may sell the LNG to purchasers other than LCE. As discussed above, the commercial structure contemplated when the Application was filed was that BGLS would sell all of the LNG produced at the Lake Charles Terminal to LCE. The requested amendment would grant BGLS (or any entity to which BGLS transfers its capacity) the flexibility to make alternative sales arrangements rather than being limited to selling the LNG to LCE alone.

The two requested amendments are required due to the significant commercial developments in the two and a half years since LCE filed the Application. Rather than continue to hold all of the capacity in the Lake Charles Terminal, BGLS desires to assign a portion of the capacity that it holds in the Lake Charles Terminal to one or more entities. Under the current

⁴ See, e.g., Order No. 3324 at 137; *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at 153-54 (Sept. 11, 2013).

terms of the Authorizations, those entities would be required to sell their LNG to BGLS prior to the point of export, and BGLS would in turn be required to sell the LNG to LCE. It would be more commercially desirable and efficient for BGLS or any other capacity holders in the Lake Charles Terminal to sell LNG to purchasers of their choosing. The flexibility requested by LCE is not extraordinary. Every other terminal that has received authorization to export LNG to non-FTA counties has been given this same level of flexibility.⁵

Third, LCE requests that DOE/FE conform the monthly reporting requirement set forth in ordering paragraph I of the FTA Authorization to the monthly order paragraph O of the Non-FTA Authorization. Ordering paragraph I of the FTA Authorization requires LCE to file monthly reports of LNG exports, commencing with the month of the FTA Authorization (July 2011). LCE has filed reports of “no activity” each month since then. As reflected in ordering paragraph O of the Non-FTA Authorization, DOE/FE has since changed its policy to require the first monthly report to be filed no later the 30th day of the month following the month of first export.⁶ Conforming the FTA Authorization to the Non-FTA Authorization would reduce the administrative burden on DOE/FE by eliminating unnecessary filings.

The amendments requested by LCE have no impact on DOE/FE’s conclusions in Order No. 3324 that the proposed exports are not inconsistent with the public interest because the amended Authorizations would not change the quantity of LNG to be exported and thus would not alter DOE/FE’s finding that the proposed exports “are likely to yield net economic benefits to the United States.”⁷ Furthermore, the amended Authorizations will be consistent with the

⁵ See *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at 146 (Sept. 11, 2013); *Freeport LNG Expansion, L.P. and FLNG Liquefaction LLC*, DOE/FE Order No. 3282 at 116 (May 17, 2013); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 39 (May 20, 2011).

⁶ See also *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3307 at 10 (July 12, 2013).

⁷ Order No. 3324 at 6.

authorizations that DOE/FE has granted to other projects, including all of the projects that have received authorization to export LNG to non-FTA countries.⁸

IV. CONCLUSION

WHEREFORE, for the reasons set forth above, LCE respectfully request that DOE/FE amend the Authorizations (i) to allow LCE to act as agent for multiple other entities that hold title to LNG at the point of export, after registering such entities with DOE/FE, (ii) to permit entities exporting LNG pursuant to the Authorizations to sell the LNG to any purchaser, and (iii) to conform the monthly reporting requirement in the FTA Authorization to the monthly reporting requirement in the Non-FTA Authorization.

Respectfully submitted,

/s/ Marshal S. McCrea III
Marshal S. ("Mackie") McCrea III

/s/ Elizabeth Spomer
Elizabeth Spomer

On behalf of Lake Charles Exports, LLC

Dated December 17, 2013

⁸ See *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at 146 (Sept. 11, 2013); *Freeport LNG Expansion, L.P. and FLNG Liquefaction LLC*, DOE/FE Order No. 3282 at 116 (May 17, 2013); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 39 (May 20, 2011).

APPENDIX A
VERIFICATION

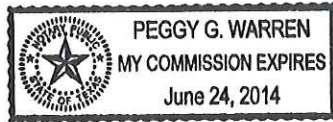
VERIFICATION

County of Harris)
)
State of Texas)

BEFORE ME, the undersigned authority, on this day personally appeared Elizabeth Spomer, who, having been by me first duly sworn, on oath says that she is duly authorized to make this Verification on behalf of Lake Charles Exports, LLC; that she has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Elizabeth Spomer

SWORN TO AND SUBSCRIBED before me on the 17th day of December, 2013.



Peggy G. Warren
Notary Public