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October 12, 2012

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
fergas@hq.doe.gov

**Re: Waller LNG Services, LLC (d/b/a Waller Point LNG)
FE Docket No. 12- 152-LNG
Application For Long-Term Authorization to Export Liquefied Natural
Gas to Free Trade Countries**

Dear Mr. Anderson:

We hereby submit for filing, on behalf of Waller LNG Services, LLC (d/b/a Waller Point LNG) ("Waller Point LNG"), Waller Point LNG's application for long-term, multi-contract authorization to engage in exports of domestically produced liquefied natural gas ("LNG") in amounts up to approximately 1.25 million metric tons per year, which is equivalent to approximately 58.4 billion standard cubic feet (Bcf) per year or 0.16 Bcf per day.

Waller Point LNG seeks authorization for a 25-year term, commencing on the earlier of the date of first export or five years from the date the requested authorization is granted, to export LNG from its proposed Waller Point LNG Terminal presently under development at the entrance point of the Calcasieu Ship Channel in Cameron Parish in Southwest Louisiana to any nation that currently has or develops the capacity to import LNG and with which the United States currently has, or in the future enters into, a Free Trade Agreement requiring the national treatment for trade in natural gas and LNG.

A check in the amount of \$50.00 is hereby provided as the application filing fee, in accordance with 10 C.F.R. §590.207 (2012).

Should you have any questions about the foregoing, please feel free to contact me at (504) 264-9236 or email to tnorton@wallermarine.com.

Respectfully submitted,

Taylor M. Norton
Chief General Counsel
Waller LNG Services, LLC, d/b/a
Waller Point LNG

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

**WALLER LNG SERVICES, LLC
(d/b/a WALLER POINT LNG)**

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Docket No. 12- 152-LNG

**APPLICATION OF WALLER LNG SERVICES, LLC
(d/b/a WALLER POINT LNG)
FOR LONG-TERM AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

**Communications with respect to this
Application should be addressed to:**

Taylor M. Norton, Chief General Counsel
Beau Berthelot, Associate Counsel
Waller LNG Services, LLC (d/b/a
Waller Point LNG)
365 Canal Street, Suite 2250
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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

WALLER LNG SERVICES, LLC)
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Docket No. 12- 152-LNG

**APPLICATION OF WALLER LNG SERVICES, LLC
(d/b/a WALLER POINT LNG)
FOR LONG-TERM AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Waller LNG Services, LLC (d/b/a Waller Point LNG)(“Waller Point LNG”) hereby requests that DOE, Office of Fossil Energy (“FE”), grant long-term, multi-contract authorization for Waller Point LNG to engage in exports of domestically produced liquefied natural gas (“LNG”) in an amount up to 1.25 million metric tons per year, which is equivalent to approximately 58.4 billion standard cubic feet (“Bcf”) of natural gas per year³ or 0.16 Bcf per day, for a 25-year term, commencing the earlier of the date of first export or five years from the date of issuance of the authorization requested herein.

Waller Point LNG is seeking authorization to export domestically produced LNG from its proposed liquefaction facilities and terminal, Waller Point LNG Terminal (“Waller Point LNG Terminal”), presently under development by Waller Marine, Inc., for intended construction, ownership and operation at its approximate 180 acre site which it has secured at the entrance point of the Calcasieu Ship Channel in Cameron Parish in Southwest Louisiana, to any nation that currently has or develops the capacity to import LNG and with which the United States

¹ 15 U.S.C. § 717b.

² 10 C.F.R. Part 590 (2012).

³ 58.4 Bcf/year is equivalent to approximately 60.035 million MMBtu per year, according to a DOE/FE conversion factor of 1,028 Btu per cubic foot found at <http://www.netl.doc.gov/energy-analyses/energy-calc.html> (last checked October 12, 2012)

currently has, or in the future enters into, a Free Trade Agreement (“FTA”) requiring the national treatment for trade in natural gas and LNG.⁴ Waller Point LNG is requesting authorization to export LNG both on its own behalf and as agent for other parties who themselves hold title to the LNG at the time of export. Pursuant to the Energy Policy Act of 1992, which amended Section 3 of the NGA, applications, such as this one, that seek authorization to export LNG to nations with which the U.S. has an FTA are entitled to the statutory presumption that such exports are “deemed to be in the public interest” and “shall be granted without modification or delay.”⁵ In support of its application, Waller Point LNG states as follows:

I. COMPANY INFORMATION

The exact legal name of applicant is Waller LNG Services, LLC which is doing business as Waller Point LNG. Waller Point LNG is a limited liability company formed under the laws of Texas and authorized to transact business in Louisiana with its principal business address and registered office in Louisiana at 365 Canal Street, Suite 2250, New Orleans, Louisiana 70130, and its principal and registered address in Texas at 14410 West Sylvanfield, Houston, Texas 77014. Its telephone number is (504) 264-9236 and fax number is (504) 264-9026. Waller Point LNG is a wholly owned subsidiary of Waller Energy Holdings, LLC, a Texas limited liability company. Waller Energy Holdings, LLC is a wholly owned subsidiary of Waller Liquefaction, L.P., a Texas limited partnership, of which the General Partner is Waller LNG GP, LLC, a Texas limited liability company wholly owned by Waller Marine, Inc., (“Waller Marine”) a Texas

⁴ Currently, the countries that have such FTAs with the United States include: Australia, Bahrain, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Chile, Morocco, Canada, Mexico, Oman, Peru, Singapore, Republic of Korea and Jordan.

⁵ See 15 U.S.C. §717b (2011). See also *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (Sept. 7, 2010); *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3041 (Dec. 7, 2011); *Carib Energy (USA) LLC*, DOE/FE Order No. 2993 (July 27, 2011).

corporation. Waller Marine is a developer of LNG terminals and LNG storage and transportation vessels, and is the developer of the Waller Point LNG Terminal. Waller Point LNG is authorized to do business in the States of Texas and Louisiana.

II. AUTHORIZATION REQUEST

Waller Point LNG requests long-term, multi-contract authorization to export an amount up to 1.25 million metric tons of LNG per year by vessel from the Waller Point LNG Terminal to any nation with which the U.S. currently has, or in the future enters into, an FTA requiring the national treatment for trade in natural gas and LNG, for a 25-year term. Waller Point LNG requests that such authorization commence on the earlier of the date of first export or five years from the date the requested authorization is granted.

Waller Point LNG has not yet finalized and executed any long-term gas supply or long-term export contracts in conjunction with the LNG export authorization requested herein. Waller Point LNG currently is engaged in commercial discussions with certain domestic as well as foreign off-takers to obtain all the available liquefaction capacity at the Waller Point LNG Terminal. Either Waller Point LNG or the developer of its Waller Point LNG Terminal will bear the responsibility for sourcing gas supplies for delivery to the Waller Point LNG Terminal. Waller Point LNG, through its developer, Waller Marine, will commence negotiations with certain natural gas suppliers for transportation capacity and the required lateral pipeline to be constructed once commercial discussions between those natural gas suppliers and Waller Point LNG progress. Waller Point LNG will file any executed long-term gas supply or long-term export contracts under seal with DOE/FE as required.

In recent orders granting long-term authorization to export LNG to FTA countries requiring national treatment for trade in natural gas, the DOE has found that the applicants were

not required to submit, with their applications, transaction-specific information, as specified in Section 590.202(b) of the DOE's regulations.⁶ The DOE found that, given the stage of development for these projects, it was appropriate for the applicants to submit such information "when practicable" (i.e., when the contracts reflecting such information are executed). Waller Point LNG requests that the DOE make the same finding in this Application.

Waller Point LNG proposes to source natural gas to be used as feedstock for LNG production at the Waller Point LNG Terminal from the interstate and intrastate grid at points of interconnection with other pipelines and points of liquidity both upstream and downstream of the pipeline. In this regard, it is anticipated that the Waller Point LNG Terminal will be connected to multiple interstate and Louisiana intrastate pipelines that will enable Waller Point LNG to purchase natural gas from multiple conventional and unconventional basins across the region, state, and from virtually anywhere in the nation. This supply can be sourced in requisite volumes in the spot market, or pursued under long-term arrangements. In addition to traditional production, emerging supply areas, such as the Barnett, Haynesville, and Bossier shale gas formations, represent attractive additional sources of supply.

Waller Point LNG requests authorization to export LNG both on its own behalf (by holding title to the LNG at the time of export) and as agent for other parties who themselves hold title to the LNG at the time of export. To ensure that all exports are permitted and lawful under U.S. laws and policies, Waller Point LNG will comply with all DOE/FE requirements for exporters and agents, including the procedures and registration requirements as first established in *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913, and reiterated in *Southern LNG Company, L.L.C.*, DOE/FE Order No. 3106, and most recently set forth in *Excelsior*

⁶ See, e.g., *Cameron LNG, LLC*, DOE/FE Order No. 3059 (January 17, 2012) and *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (2010). The transaction specific information described in the regulations includes long-term supply agreements and long-term export agreements.

Liquefaction Solutions I, LLC, DOE/FE Order No. 3128 (2012).⁷ Granting Waller Point LNG's request for long-term, multi-contract export authorization is consistent with DOE/FE's grant of similar applications.⁸

Therefore, when acting as agent, Waller Point LNG will register with the DOE each LNG title holder for whom Waller Point LNG seeks to export as agent, and will provide the DOE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in Waller Point LNG's long-term export authorization, and (ii) include those requirements in any subsequent purchase or sale agreement entered into by the title holder. Waller Point LNG will also file under seal with DOE any relevant long-term commercial agreements it enters into with the LNG title holders on whose behalf the exports are performed.

III. STANDARD OF REVIEW

Pursuant to the Energy Policy Act of 1992, applications for authorization to export natural gas and LNG to nations with which an FTA is in effect requiring the national treatment for trade in natural gas and LNG are deemed to be in the public interest and must be granted without modification or delay. DOE/FE has consistently found that in light of this statutory obligation there is no need for it to engage in an analysis of factors affecting the public interest in acting on such applications. In this regard, in *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3041 (Dec. 7, 2011), DOE/FE noted that its authority under NGA Section 3(c), as amended by the Energy Policy Act of 1992, is limited to two areas: "(1) to ensure that applications are

⁷ *Freeport LNG Development, L.P., Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations*, FE Docket No. 10-160-LNG, OE/FE Order No. 2913 (Feb. 10, 2011); *Errata Notice Correcting Footnote 9 in Order 2913 issued 2/10/2009* (Feb. 17, 2011); *Excelsior Liquefaction Solutions I, LLC*, FE Docket No. 12-61-LNG, DOE/FE Order No. 3128 (2012).

⁸ *See, e.g., Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (Sept. 7, 2010); *Carib Energy (USA) LLC*, DOE/FE Order No. 2993 (July 27, 2011).

filed with sufficient information to confirm that the applicant is engaged in a meaningful (i.e., not frivolous) effort to undertake natural gas export or import activities, and (2) to provide in any order granting a section 3(c) application that the applicant will report its export or import activities in sufficient detail to enable DOE to monitor import and export activities.”⁹

Accordingly, Waller Point LNG is not submitting a detailed public interest analysis in support of this application, but nonetheless notes that it is evident from the current supply/demand balance of natural gas in the U.S. that its request for authorization to export domestic natural gas production from its proposed Waller Point LNG Terminal is in the public interest. Given the current conditions of the domestic gas industry, and the nature of Waller Point LNG’s request, including limiting its request to a relatively small volume of LNG, Waller Point LNG believes that granting its request will not be inconsistent with the public interest.

This Application, which clearly falls within the scope of Section 3(c), should be processed and approved in accordance with this standard.

IV. DESCRIPTION OF EXPORT PROPOSAL AND PROPOSED WALLER POINT LNG TERMINAL

In this Application, Waller Point LNG seeks long-term authorization to export domestically produced LNG from its proposed Waller Point LNG Terminal to be constructed under authorization of Section 3 of the NGA.

Waller Point LNG is taking the steps necessary to build natural gas processing and liquefaction facilities to receive and liquefy domestic natural gas at its proposed Waller Point LNG Terminal. For the development of its facilities, Waller Point LNG has secured via long term ground leases a site of approximately 180 acres of land located at the Gulf of Mexico entrance point of the Calcasieu Ship Channel, and continuing northerly for approximately 3,900

⁹ *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3041 at 8-9 (Dec. 7, 2011).

feet alongside the western side of the Calcasieu Ship Channel (including all of Irregular Section 29 and part of Irregular Section 30, Township 15 South, Range 10 West of the Louisiana Meridian), in Cameron Parish, Louisiana. The proposed Waller Point LNG Terminal will consist of liquefaction units ultimately capable of producing LNG up to a total capacity of 1.25 million metric tons per year. It will also consist of: (1) berthing and accommodations for multiple LNG vessels, and in particular, tugs and barges, as well as unloading facilities and piping and appurtenances; (2) an LNG storage facility having storage capacity up to approximately 30,000 cubic meters (m³), with associated piping and control equipment; and (3) associated utilities, infrastructure, and support systems. The Waller Point LNG Terminal facilities would permit natural gas to be received by pipeline at the Waller Point LNG Terminal, liquefied, and loaded directly into LNG barges or loaded from the terminal's storage tanks into barges berthed along the marine facilities along the Calcasieu Ship Channel. Once the facilities are constructed and operational, the Waller Point LNG Terminal will be capable of natural gas treatment, liquefaction and export by direct transfer into off-taking LNG barges¹⁰ or by transfer from the terminal's storage tanks into off-taking LNG barges. The long-term authorization requested in this application is necessary in order to permit Waller Point LNG to continue to incur substantial costs of developing the Waller Point LNG Terminal and to finalize and execute customer contracts with prospective customers. These agreements are expected to be for terms of up to 25 years in length and will run concurrently with Waller Point LNG's export authorization.

V. ENVIRONMENTAL IMPACT

Following the issuance of the long-term export authorization requested in this Application, Waller Point LNG will initiate the pre-filing review process at FERC for the

¹⁰ See American Bureau of Shipping (ABS) website at <http://bit.ly/abswallermarine> (last checked October 12, 2012) regarding Waller Marine's articulated tug and barge regasification vessel which is capable of receiving, storing and transporting LNG.

proposed Waller Point LNG Terminal facilities. This will be the initial step in a comprehensive and detailed environmental review by FERC of the proposed Waller Point LNG Terminal. It is anticipated that, consistent with the requirements of the National Environmental Policy Act, FERC will act as the lead agency for environmental review, with DOE acting as cooperating agency. Accordingly, Waller Point LNG respectfully requests that the DOE issue an order approving this Application, with such approval subject to completion by FERC of a satisfactory environmental review.

VI. COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this Application, including all service of pleadings and notices and for any reports required in connection with the requested authorization, should be directed to the following persons:

Taylor M. Norton, Chief General Counsel
Beau Berthelot, Associate Counsel
Waller Point LNG
365 Canal Street, Suite 2250
New Orleans, LA 70130
Telephone: (504) 264-9236
Facsimile: (504) 264-9026
Email: tnorton@wallermarine.com

Pursuant to Section 590.103(a) of the DOE regulations, 10 C.F.R. §590.103(a), Waller Point LNG hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of Waller Point LNG.

VII. MISCELLANEOUS

Waller Point LNG requests secondary distribution of the order by email. DOE/FE should communicate with Waller Point LNG by email, telephone and fax.

The \$50.00 application fee is submitted herewith, as the application filing fee, in accordance with 10 C.F.R. §590.207 (2012).

VIII. APPENDICES

The following appendices are attached hereto and incorporated herein by reference:

Appendix A: Opinion of Counsel

Appendix B: Verification and Certification

IX. CONCLUSION

For the foregoing reasons, Waller Point LNG respectfully requests that DOE/FE grant it long-term, multi-contract authorization to export up to 1.25 million metric tons per annum of LNG, which is equivalent to approximately 0.16 Bcf/day, or 58.4 Bcf/year, of LNG, by vessel to any nation with which the United States currently has, or in the future enters into, an FTA requiring the national treatment for trade in natural gas and LNG, for a 25-year term commencing on the earlier of the date of first export or five years from the date the requested authorization is granted. Waller Point LNG is requesting export authorization in order to act on its own behalf and in order to act on behalf of or as agent for third parties. Waller Point LNG requests this authorization on an expedited basis in accordance with the standard established by the NGA, as amended by the Energy Policy Act of 1992.

Respectfully submitted,



Dated: October 12, 2012

Taylor M. Norton, Chief General Counsel
Beau Berthelot, Associate Counsel
Waller LNG Services, LLC (d/b/a
Waller Point LNG)
365 Canal St., Suite 2250
New Orleans, LA 70130
Telephone: (504) 264-9236
Facsimile: (504) 264-9026
tnorton@wallermarine.com

VERIFICATION

State of Louisiana)

Parish of Orleans)

BEFORE ME, the undersigned authority, on this day personally appeared Taylor M. Norton, who, having been by me first duly sworn, on oath says that he is the Chief General Counsel of Waller LNG Services, LLC (d/b/a Waller Point LNG) 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.

3/2/20

Taylor M. Norton

SWORN TO AND SUBSCRIBED before me on the 12 day of October, 2012.

Jeffrey Farshad
Notary Public
Notary ID #84694, Bar # 30497
My Commission is issued for Life.

Name: _____

Title: Notary Public

My Commission expires:



Waller LNG Services, LLC
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Fossil Energy, U.S. Department of Energy
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fergas@hq.doe.gov


**Re: Waller LNG Services, LLC
FE Docket No. 12-___-LNG
Application For Long-Term Authorization to Export LNG to Free Trade Nations
Opinion of Counsel**

Dear Mr. Anderson:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2012). Waller LNG Services, LLC (d/b/a Waller Point LNG) ("Waller Point LNG") seeks authorization to export liquefied natural gas ("LNG") from its proposed Waller Point LNG Terminal presently under development for the entrance point of the Calcasieu Ship Channel in Cameron Parish in Southwest Louisiana, to any nation that currently has or develops the capacity to import LNG and with which the United States currently has, or in the future enters into, a free trade agreement requiring the national treatment for trade in natural gas and LNG. Waller Point LNG is requesting authorization to export LNG both on its own behalf and as agent for other parties who themselves hold title to the LNG at the time of export.

I have reviewed and examined the corporate documents of Waller Point LNG and other authorities as necessary, and it is my opinion that the proposed long-term, multi-contract export of LNG, as described in the above-referenced application, is within the limited liability company powers of Waller Point LNG. Further, Waller Point LNG is authorized to do business in Louisiana and Texas and to engage in foreign commerce.

Respectfully submitted,



Taylor M. Norton
Chief General Counsel
Waller LNG Services, LLC, d/b/a
Waller Point LNG