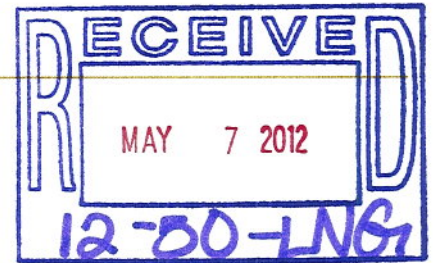


SEABOARD CORPORATION



May 1, 2012

Larine A. Moore
U.S. Department of Energy
FE-34
P.O. Box 44375
Washington, D.C. 20026-4375

RE: SB Power Solutions Inc.
FE Docket 12-50-LNG
Application for Long-Term Authorization to Export Liquefied Natural Gas
to Free Trade Agreement Contracts

Dear Ms. Moore:

We hereby submit, on behalf of SB Power Solutions Inc. ("SPS"), one original and five copies of an application (the "Application") for long-term authorization to export up to a total of 550,000 metric tons (approximately 0.043 billion standard cubic feet) per year of domestically produced and previously imported liquefied natural gas ("LNG") over a twenty-five year period commencing the earlier of the date of first export or five years from the date the requested authorization is granted.

As reflected in the enclosed application, SPS is requesting that such long-term authorization permit it to export to any country located within Central America or the Caribbean, which has or in the future develops the capacity to import LNG via ocean-going carriers (by use of approved ISO IMO7/TVAC-ASME LNG containers transported on ocean-going carriers), and with which the United States currently has, or in the future will have, a Free Trade Agreement.

Enclosed is a check in the amount of \$50.00, the applicable filing fee. Please acknowledge receipt of this Application by date stamping the enclosed extra copy of this filing and returning it in the pre-addressed, postage-paid envelope included with this package.

Respectfully submitted,

David M. Becker
Senior Vice President and General Counsel
Seaboard Corporation

Enclosures

ORIGINAL

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



SB POWER SOLUTIONS INC.

Docket No. 12-50-LNG

**APPLICATION OF
SB POWER SOLUTIONS INC.
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

Communications regarding this
Application should be addressed to:

David M. Becker
Senior Vice President and General Counsel
Seaboard Corporation
9000 West 67th Street
Shawnee Mission, Kansas 66202

May 1, 2012

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

SB Power Solutions Inc.

Docket No. 12-50-LNB

**APPLICATION OF SB POWER SOLUTIONS INC.
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act¹ and Part 590 of the regulations of the Department of Energy (“DOE”)², SB Power Solutions Inc. (“SPS”) submits this application (“Application”) to the DOE Office of Fossil Energy (“DOE/FE”) for long-term, multi-contract authorization to export up to a total of 550,000 metric tons per annum³ of liquefied natural gas (“LNG”) for a twenty-five year period, commencing on the earlier of the date of first export or five years from the date the requested authorization is granted. SPS requests that such authorization allow it to export both previously imported and domestically sourced LNG to any country located within Central America, South America or the Caribbean, which has, or in the future develops, the capacity to import LNG via ocean-going carriers (by use of approved ISO IMO7/TVAC-ASME LNG containers transported on ocean-going carriers), and with which the United States currently has, or in the future will have, a Free Trade Agreement (“FTA”)⁴.

Section 3(c) of the Natural Gas Act, as amended by § 201 of the Energy Policy Act of 1992, establishes a statutory presumption that exports to FTA countries must be authorized. Such

¹ 15 U.S.C. § 717b (2010).

² 10 C.F.R. § 590 (2012).

³ Approximately 0.043 billion standard cubic feet (“bscf”) per year. This represents the maximum total of LNG that SPS expects to export in any year during the period of authorization to FTA countries.

⁴ Within this region, the United States currently has free trade agreements requiring national treatment for trade in natural gas and LNG with Chile, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Peru. The FTA with Costa Rica does not require national treatment for trade in natural gas. FTAs with Colombia and Panama have been approved but have not been implemented.

exports are “deemed to be within the public interest,” and applications for such exportation “shall be granted without modification or delay.”⁵

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

I.

DESCRIPTION OF APPLICANT

The exact legal name of the applicant is SB Power Solutions Inc., a corporation organized under the laws of the State of Delaware. The principal place of business of SPS is located at 9000 W. 67th Street, Merriam, KS 66202.

Stock in SPS is held wholly by Seaboard Corporation, a corporation incorporated in the State of Delaware (“Seaboard”).

II.

COMMUNICATIONS

Communications regarding this application should be directed to the following:

David M. Becker
General Counsel
Seaboard Corporation
9000 West 67th Street
Merriam, Kansas 66202
(913) 676-8925
David_Becker@seaboardcorp.com

George E. Crady
King & Spalding LLP
1100 Louisiana, Suite 4000
Houston, Texas 77002-5213
(713) 751-3203
NCrady@KSLAW.com

III.

AUTHORIZATION REQUESTED

SPS requests long-term, multi-contract authorization to export up to a total of 550,000 metric tons per annum of previously imported or domestically produced LNG (equivalent to approximately 0.043 bscf of LNG per year) for a period of twenty-five years, beginning the earlier of the date of first export, or the fifth anniversary of the date authorization is granted by DOE/FE. SPS requests that such long-term authorization provide for export from the Atlantic coast to the

⁵ 15 U.S.C. § 717b(c) (2010). (“For purposes of [15 U.S.C. § 717b(a)] of this section, the importation of the natural gas referred to in [15 U.S.C. § 717b(b)] of this section, or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.”).

Gulf Coast, including Texas and Florida, to any country located within South America, Central America or the Caribbean that has, or in the future will have, the capacity to import LNG via ocean-going carrier (by use of approved ISO IMO7/TVAC-ASME LNG containers transported on ocean-going carriers), and with which the United States currently has, or in the future will have, an FTA requiring the national treatment for trade in natural gas and LNG.

SPS will take delivery of LNG at the site of third party liquefaction facilities from the Atlantic coast to the Gulf coast of the United States. SPS will transport the LNG from the liquefaction facilities within the United States over both highways and via rail, and will transport LNG to buyers in South America, Central America and the Caribbean, using approved ISO IMO7/TVAC-ASME LNG containers transported on ocean-going carriers. Containers and carriers used for transportation within the United States will comply with all Association of American Railroads and United States Department of Transportation regulations, and any third parties with which SPS will be contracting to handle such transportation will comply with all hazardous material and cryogenic handling regulations and requirements, including employee training, in addition to obtaining any state permits required for transportation of LNG.

The source of natural gas supply to be exported by SPS will be the robust and liquid United States natural gas market, which now includes natural gas produced from shale deposits. SPS will be purchasing LNG on both a spot basis and under long-term purchase agreements from suppliers, including utilities that have excess natural gas and LNG, and which have obtained appropriate regulatory approval, if required, for the sales of such capacity. SPS is currently involved in negotiations with several such suppliers, and will file all executed long-term contracts with the DOE/FE under seal, following their execution. DOE/FE has previously found that this commitment conforms to the requirements of 10 C.F.R. § 590.202(b), which calls upon applicants to supply transaction-specific information “to the extent practicable.”⁶ SPS expects to begin exporting LNG purchased on a spot basis or under such long-term agreements by the first quarter of 2014.

⁶ *Sabine Pass Liquefaction, LLC*, FE Docket No. 10-85-LNG, Order No. 2833 (Sept. 7, 2010). 10 C.F.R. § 590.202(b) requests certain information, “to the extent applicable,” and “supported to the extent practicable by necessary data or documents,” regarding the source and security of the natural gas supply proposed for export, including contract volume and a description of the specific gas reserves supporting the project during the time of the requested export authorization; *see also, Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE Docket No. 10-160-LNG, Order No. 2913 (February 10, 2011).

As noted above, this application is submitted pursuant to the standard established by the Energy Policy Act of 1992, under which applications for export to FTA countries are deemed to be in the public interest, and must be granted without modification or delay.⁷ SPS's application is presumptively in the public interest, and the long-term authorization requested by SPS is also compatible with the principles established by DOE/FE's Policy Guidelines,⁸ which promote free and open trade by minimizing federal control and involvement in energy markets, and DOE Delegation Order No. 0204-111, which requires "consideration of the domestic need for the gas to be exported."

As DOE/FE recently has recognized, United States consumers currently have access to substantial quantities of natural gas, as a result of, among other things, technological advances that have allowed for development of previously undeveloped reserves of domestic shale gas.⁹ The Annual Energy Outlook 2010, prepared by the U.S. Energy Information Administration ("EIA"), forecasted shale gas production to increase to 2.85 Tcf by 2015 and 6.0 Tcf by 2035, representing 5.3 percent annual growth from 2008-2035.¹⁰ EIA's Annual Energy Outlook 2011 more than doubles its estimate of technically recoverable shale gas reserves,¹¹ and doubles its projected shale gas production to 12.0 Tcf by 2035.¹² Large volumes of domestic shale gas reserves and its development and extraction, as well as continued low production costs, will enable the United States to develop significant quantities of natural gas and LNG, which will be able to meet domestic demand for decades to come, and, as a result, also will provide an over-capacity of

⁷ 15 U.S.C. § 717b(c) (2010), *supra* note 5.

⁸ Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6684 (Feb. 22, 1984).

⁹ *Cheniere Marketing, LLC*, FE Docket No. 10-31-LNG, Order No. 2795 (June 1, 2010).

¹⁰ U.S. Energy Information Administration, Annual Energy Outlook 2010 135, Table A-14 (2010), available at [http://www.eia.doe.gov/oiaf/aco/pdf/0383\(2010\).pdf](http://www.eia.doe.gov/oiaf/aco/pdf/0383(2010).pdf).

¹¹ U.S. Energy Information Administration, Annual Energy Outlook 2011, Executive Summary (2011), available at [http://www.eia.gov/forecasts/aco/pdf/0383\(2011\).pdf](http://www.eia.gov/forecasts/aco/pdf/0383(2011).pdf)

¹² *Id.* at Table 8.

natural gas and LNG that would be available for export. The decrease in natural gas prices from 2008 to 2010 provides evidence of such over-capacity.¹³

SPS will purchase the quantities of LNG it proposes to export – which quantities are relatively small when compared to those included in recent export applications received by the DOE/FE – primarily from domestic suppliers seeking to sell excess supply of natural gas and LNG that cannot be marketed economically otherwise in the domestic market due, in part, to the relatively low natural gas prices in this country. By allowing SPS to purchase this excess supply for export overseas, DOE/FE’s approval of this Application will benefit these domestic companies, in addition to supporting President Obama’s National Export Initiative signed in 2010.¹⁴

IV.

ENVIRONMENTAL IMPACT

As stated above, in the majority of cases, no new facilities (or modifications to any existing facilities) would be required in order for SPS to export LNG. In the limited cases in which the owners of liquefaction facilities that sell and deliver LNG to SPS opt to make minor modifications to their facilities to either accommodate the slight additional volume of LNG resulting from such deliveries, or to account for the temperature requirements of LNG versus other liquefied petroleum products, those owners of liquefaction facilities will obtain the necessary state, local or federal permits before any such modifications or deliveries occur. Approval of this Application therefore would not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act.¹⁵

V.

APPENDICES

The following exhibits are submitted as part of this Application:

Appendix A Verification

Appendix B Opinion of Counsel

¹³ See, e.g., *id.* at Figure 39.

¹⁴ Exec. Order No. 13534, 75 Fed. Reg. 12,433 (March 11, 2010).

¹⁵ 42 U.S.C. § 4321 (2010), *et seq.*; Categorical Exclusion B5.7, 10 C.F.R. Part 1021, Subpart D, Appendix B.

VI.
CONCLUSION


WHEREFORE, for the reasons set forth above, SPS respectfully requests that DOE/FE grant the long-term, multi-contract export authorization requested herein.

Dated: May 1, 2012

Respectfully submitted,

SB Power Solutions Inc.

By: _____


Robert L. Steer, Vice President

APPENDIX A

CERTIFIED STATEMENT

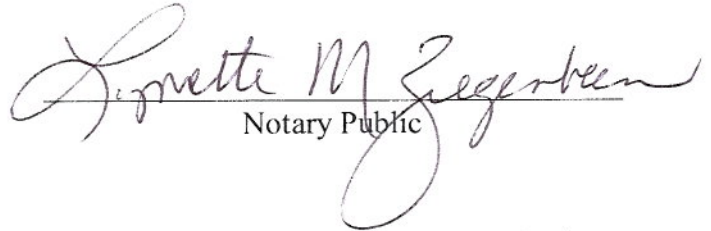
COUNTY OF JOHNSON)
) SS.
STATE OF KANSAS)

I, Robert L. Steer, being duly sworn on his oath, do hereby affirm that I am Vice President of SB Power Solutions Inc.; that I am familiar with the contents of this application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.



Robert L. Steer

Sworn to and subscribed before me, a Notary Public, in and for the State of Kansas, this 1st day of May, 2012.


Notary Public

My Commission Expires 11/21/13

APPENDIX B

SEABOARD CORPORATION

May 1, 2012

Larine A. Moore
U.S. Department of Energy
FE-34
P.O. Box 44375
Washington, D.C. 20026-4375

RE: SB Power Solutions Inc.
Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Ms. Moore:


This opinion is submitted pursuant to 10 C.F.R. § 590.202(c) of the Department of Energy administrative procedures. I have acted as counsel to SB Power Solutions Inc., a Delaware corporation (the "Company"), in connection with the above-referenced application to the U.S. Department of Energy (the "Application").

In rendering this opinion, I have reviewed and relied upon originals or copies of the Certificate of Incorporation of the Company, as filed on December 10, 2010 with the Delaware Secretary of State, the Bylaws of the Company, dated as of January 29, 2011, and the Application.

The opinion set forth below is limited to the Delaware Corporation Law, as in effect on this date. I express no opinion as to the applicability or effect of any other laws of such jurisdiction or the laws of any other jurisdictions.

Based upon the foregoing, I am of the opinion that the proposed export of natural gas, as described in the Application, is within the corporate powers of the Company.

Very truly yours,



David M. Becker
Senior Vice President and General Counsel
Seaboard Corporation