

October 21, 2013

By Email and U.S. Mail

fergas@hq.doe.gov

Ms. Larine A. Moore
Docket Room Manager
FE-34
U.S. Department of Energy
PO Box 44375
Washington, D.C. 20026-4375

Re: Application of Jordan Cove LNG L.P.
for Long-Term Authorization to Import Natural Gas
From Canada, FE Docket No. 14- -NG

Dear Ms. Moore:

Please accept for filing the accompanying Application of Jordan Cove LNG L.P. for Long-Term Authorization to Import Natural Gas from Canada (the "Application").

On this date, the undersigned is mailing to the above address an original and three copies of the Application and a check for the filing fee in the amount of \$50 made payable to the Treasurer of the United States. On this date, the undersigned is also transmitting by email to fergas@hq.doe.gov PDF copies of the Application and the check for the filing fee.

Please acknowledge receipt of this Application by email to darbyj@dicksteinshapiro.com. Should you have any questions, please do not hesitate to contact me at (202) 420-2745. Thank you for your assistance.

Sincerely,

/s/ Joan M. Darby

Joan M. Darby

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

In the Matter of:

JORDAN COVE LNG L.P.

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)
)

Docket No. 14-___-NG

**APPLICATION FOR LONG-TERM AUTHORIZATION
TO IMPORT NATURAL GAS FROM CANADA**

Communications regarding this application should be directed to:

Beth L. Webb
Joan M. Darby

Dickstein Shapiro LLP
1825 Eye Street NW
Washington, DC 20006

(202) 420-2200

webbb@dicksteinshapiro.com
darbyj@dicksteinshapiro.com

Elliott L. Trepper, President
Robert L. Braddock, Vice President

Jordan Cove LNG L.P.
125 Central Avenue, Suite 380
Coos Bay, OR 97420

(541) 266-7510

eltrepper@attglobal.net
bobbraddock@attglobal.net

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TO IMPORT NATURAL GAS FROM CANADA**

Pursuant to Section 3 of the Natural Gas Act (NGA), 15 U.S.C. § 717b, and Part 590 of the Department of Energy (DOE) regulations, 10 C.F.R. Part 590, Jordan Cove LNG L.P. (JCLNG) requests that the DOE Office of Fossil Energy (DOE/FE) issue an order granting JCLNG long-term authorization to import from Canada up to 565.75 billion cubic feet (Bcf) per year of natural gas for a 25-year term commencing on the earlier of the date of first export or the date ten years from the date the requested authorization is granted.

This application for import authorization mirrors JCLNG's September 9, 2013 application for export authorization made to Canada's National Energy Board (NEB). The authorizations sought by these twin applications will afford access to Canadian natural gas supplies for the United States liquefied natural gas (LNG) export terminal that JCLNG's subsidiary, Jordan Cove Energy Project, L.P. (JCEP), proposes to construct, own and operate within Oregon's International Port of Coos Bay, immediately to the north of the communities of North Bend and Coos Bay, Oregon (the Project). By DOE/FE Order No. 3041 issued on December 7, 2011, DOE/FE authorized JCEP to export LNG from the Project to nations with which the United States currently has, or in the future enters into, a Free Trade Agreement (FTA) requiring national treatment for trade in natural gas (JCEP FTA Order). JCEP's application

seeking authorization for LNG exports to nations with which the United States does not have an FTA (JCEP NFTA Application) is presently pending before DOE/FE in Docket No. 12-32-LNG. Pending separately before the Federal Energy Regulatory Commission (FERC) in FERC Docket No. CP13-483-000 is JCEP's May 21, 2013 application for authorization to site, construct and operate the Project (JCEP FERC Application).

Under NGA § 3(c), this application concerning imports from an FTA-nation is entitled to the statutory presumption that such imports are “deemed to be within the public interest” and is subject to the statutory imperative that such applications “shall be granted without modification or delay.” 15 U.S.C. § 717b(c).

I.
COMMUNICATIONS

Communications regarding this application should be directed to:

Beth L. Webb
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Dickstein Shapiro LLP
1825 Eye Street NW
Washington, DC 20006

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webbb@dicksteinshapiro.com
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II.
APPLICANT

The exact legal name of JCLNG, the Applicant, is Jordan Cove LNG L.P. JCLNG is a Delaware limited partnership authorized to do business in the State of Oregon. It is wholly owned and controlled by Veresen Inc. (Veresen), a Canadian corporation based in Calgary, Alberta, through wholly-owned subsidiaries of Veresen. JCLNG has its principal place of business at Suite 900, 222 – 3rd Avenue SW, Calgary, Alberta T2P 0B4, Canada.

JCEP, a Delaware limited partnership, and its general partner, Jordan Cove Energy Project, L.L.C., a Delaware limited liability company, are owned by the JCEP limited partners: JCLNG (owning 75% of each of JCEP and the general partner);¹ and (2) Energy Projects Development L.L.C, a Colorado limited liability company (owning 25% of each of JCEP and the general partner). Energy Projects Development L.L.C. is in turn owned by various private individuals, all of whom are U.S. citizens.

III.
PROJECT DESCRIPTION

JCEP's proposed natural gas liquefaction and LNG export facility on the North Spit of Coos Bay in Oregon will be capable of receiving and liquefying natural gas, storing the LNG and loading the LNG onto LNG carriers for delivery to export markets or to domestic markets in the non-contiguous United States. The Project facilities will encompass natural gas receipt and

¹ In the JCEP FTA Order and JCEP NFTA Application dockets, Fort Chicago LNG II U.S.L.P. was identified as the 75% limited partner in JCEP and its general partner. Its name was changed to Jordan Cove LNG L.P. as of August 19, 2013.

conditioning equipment, liquefaction equipment, two 160,000 cubic meter full-containment LNG storage tanks and an LNG carrier berth and cargo loading system.

Natural gas will be delivered to the Project via the Pacific Connector Gas Pipeline (PCGP), a new, approximately 230-mile-long interstate natural gas pipeline connecting the Project to the interstate pipeline system grid at the Northwest United States market hub at Malin, Oregon (Malin Hub). PCGP is being developed by Veresen and The Williams Company (Williams), with Williams having responsibilities for regulatory processing, development and construction.²

The Project is a market-driven response to the availability of burgeoning and abundant natural gas supplies in the United States and Canada and rising and robust international demand for natural gas. It is strategically located to provide market outlets for supplies from both Western Canadian and U.S. Rocky Mountain supply basins and also advantageously located to serve growing international, particularly Asian, markets, as well as domestic needs, including the isolated markets of Hawaii and Alaska and the Oregon markets along the route of the PCGP. In short, the Project is designed to provide all of the benefits associated with increased exports of LNG supplies by providing a new U.S. West Coast LNG terminal. It will be operated in a safe and secure manner with minimal adverse environmental and community impacts as it links the markets in need of LNG to excess North American supplies of natural gas, particularly Canadian supplies in the earlier years of the Project's operation.

On October 7, 2013, Veresen announced that JCEP and PCGP have executed independent, non-binding arrangements, termed Heads of Agreement (HOA), with three, large-

² Like the JCEP FERC Application, the June 6, 2013 application of PCGP for a certificate of public convenience and necessity authorizing it to site, construct and operate an interstate pipeline to connect to the Project is presently pending before FERC (in FERC Docket No. CP13-492-000).

scale prospective customers located in Indonesia, India, and an Eastern Asian country. The HOAs set out indicative commercial terms of the subsequent binding Liquefaction Tolling Services Agreements with JCEP and Pipeline Service Agreements with PCGP that will be entered into upon conclusion of further negotiations between the parties. The aggregate volume of LNG capacity requested under these HOAs exceeds the initial planned capacity of the terminal and pipeline. The contract term under each agreement is proposed to be 25 years, with extension rights.

Subject to completion of all regulatory approvals, it is expected that construction of the JCEP Project and the PCGP will commence by early 2015, with commercial operations expected to begin in early 2019.

IV.

REQUESTED AUTHORIZATION

JCLNG requests long-term authorization to import from Canada, on its own behalf and as agent for individual customers that hold title to the natural gas, up to 565.75 Bcf per year of natural gas for a 25-year term commencing on the earlier of the date of first export or the date ten years from the date the requested authorization is granted.

Agency: JCLNG requests authorization to import gas on its own behalf, and on behalf of the actual owners of the gas for which JCLNG will act as agent. The commercial arrangements for the Project will be based on a toll model. The individual customers will hold capacity in the JCEP Project terminal and on the PCGP pipeline. They will have the rights to ship feed gas on PCGP from the Malin Hub to the Project, deliver it to JCEP for liquefaction services and receive LNG from JCEP. Under this model, they will be responsible to source and

hold title to the feed gas. Neither JCLNG nor JCEP proposes to be directly involved in the purchase or sale of natural gas or of LNG. With respect to the importation of natural gas under the requested authorization, JCLNG expects that it will act as an agent and a facilitator to the Project's individual customers.³

Volume: The requested 565.75 Bcf per year of natural gas mirrors the maximum annual quantity for which JCLNG has requested export authorization from the NEB. The Project will have an initial capacity of six (6) million tons per year (MMt/y) from four liquefaction trains, with each train producing 1.5 MMt/y. In response to market demand, the Project may be expanded to produce up to nine (9) MMt/y, through the construction of two additional 1.5 MMt/y trains (for a total of six trains). Production at the expanded facility will require an aggregate natural gas supply of 1.55 Bcf per day (or 565.75 Bcf per year) to allow for pipeline fuel and shrinkage in the LNG plant. While the Project will have access to gas supplies sourced from the U.S. Rocky Mountain region via Kinder Morgan's Ruby Pipeline, which will interconnect with PCGP at the Malin Hub, JCLNG's twin applications to the NEB and DOE/FE are designed to create flexibility in the Project's sourcing of natural gas by seeking the requisite export and import authorizations for the maximum volume that would be needed at the Project's maximum expanded capacity, that is, 565.75 Bcf per year of natural gas.⁴

³ JCLNG is prepared to accept conditions on its natural gas import authorization akin to those imposed in recent DOE/FE LNG export orders to the extent applicable. For example, JCLNG will undertake to register with DOE/FE any title holder to imported natural gas and to cause such title holder to provide all information and commitments required by DOE/FE and to file long-term agreements associated with the long-term supply of natural gas to be imported under this authorization within 30 days after their execution.

⁴ The JCEP FTA Order authorized JCEP to export LNG by vessel up to the equivalent of 438 Bcf per year of natural gas (the equivalent of nine (9) MMt/y of LNG). Both the JCEP NFTA Application and the JCEP FERC Application are predicated upon the Project's planned initial export capacity of six (6) MMt/y of LNG.

Term: JCLNG requests the import authorization commence on the earlier of the date of first export or the date ten years from the date that the requested authorization is granted and continue for a term of 25 years. The requested 25-year term mirrors the requested term for the NEB export authorization. More importantly, it aligns with the proposed 25-year term under the JCEP and PCGP HOAs recently-announced by Veresen. The requested 10-year allowance for the import authorization term's commencement date is consistent with the request for the NEB export authorization and is a sufficiently long time period to allow for obtaining remaining regulatory approvals, completing detailed engineering, concluding all necessary financing arrangements, and constructing the Project, with a grace period for any unforeseen delays.⁵

Import Points: Gas is proposed to be imported at two points on the Canada/United States border. Primarily, gas will cross the border near Kingsgate, British Columbia/Eastport, Idaho (Kingsgate/Eastport) having been transported in Canada on the existing natural gas pipeline networks of both TransCanada PipeLines (using the NOVA Gas Transmission Ltd. and Foothills Pipe Lines (South B.C.) Ltd. Systems) and Spectra (using its BC system to Kingsvale and from there the Spectra/FortisBC Enhancement). This imported gas will then be transported on the existing Gas Transmission Northwest system (GTN) to the Malin Hub, where there will be an interconnection with PCGP, the only new pipeline facility to be constructed in connection with the Project. Alternatively, gas may flow on the Spectra system to the Canada/U.S. border for export near Huntingdon, British Columbia/Sumas, Washington (Huntingdon/Sumas), where

⁵ JCLNG recognizes that DOE-FE has required as a condition of recent LNG export authorizations that LNG exports commence no later than seven years from the date of the authorization and that the JCEP NFTA Application requests a 7-year allowance period. JCLNG submits, however, that a 10-year allowance period is appropriate for this natural gas import authorization because JCLNG's U.S. import authorization should correspond to its Canadian export authorization and the 10-year period is a reasonable accommodation should there be an extended commencement date for the LNG exports.

it will be transported on Williams' Northwest Pipeline for physical flow, swaps or exchanges to PCGP.

V.

DEEMED CONSISTENCY WITH THE PUBLIC INTEREST

JCLNG seeks an order under NGA § 3(a), which provides that DOE/FE shall authorize natural gas imports unless [it] “finds that the proposed importation ... will not be consistent with the public interest.”⁶ Because JCLNG proposes the importation of natural gas into the United States from Canada, a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, under NGA § 3(c), JCLNG’s imports are “deemed to be within the public interest” by statutory directive and DOE/FE is subject to the statutory imperative that such applications “shall be granted without modification or delay.”⁷

As described above, JCLNG’s proposed imports are needed to support the JCEP Project from which exports of LNG may be destined to NFTA nations. The consistency of such LNG exports with the public interest is demonstrated in the JCEP NFTA Application. That

⁶ NGA Section 3(a) provides in pertinent part:

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest.

15 U.S.C. § 717b(a). The Secretary of Energy’s authority (established by the DOE Organization Act transferring jurisdiction from the Federal Power Commission) is delegated to DOE/FE pursuant to Redelegation Order No. 00-002.04F (July 11, 2013).

⁷ 15 U.S.C. § 717b(c).

Application fully addresses the geographic markets to be served and the source and security of the gas supply. It further demonstrates that, in providing a new outlet for North America's abundant natural gas supplies, the Project's LNG exports will result in increased utilization of both new and existing pipeline infrastructure, contribute to a healthy natural gas market and a better balance of trade position for the U.S., and beneficially stimulate the U.S. economy because its construction and operation will mean new jobs on site and in the community, its procurement of materials and payment of taxes will further strengthen the local and regional economies, and its activities will grow upstream natural gas industries. DOE/FE's public interest determination regarding LNG exports is properly made in the JCEP NFTA Application proceeding. It is not a subject for consideration in this proceeding where NGA § 3(c) applies and DOE/FE is accordingly to deem the proposed natural gas imports within the public interest and grant the authorization without modification or delay.

VI.

ENVIRONMENTAL IMPACT

Existing pipeline infrastructure will be utilized to transport gas volumes to and from the import points. The only new facilities associated with the proposed imports are the Project and the PCGP. The JCEP FERC Application was filed in May 2013 and the PCGP FERC Application was filed shortly thereafter in June 2013. Prior to filing their applications, both JCEP and PCGP had completed all requirements of the FERC Pre-Filing process, including those under the National Environmental Policy Act (NEPA) allowing for extensive public input and for the cooperation and participation of federal agencies with roles in the environmental review of the Project. Post-application FERC and the cooperating agencies (one of which is DOE) are

continuing, with the cooperation of JCEP and PCGP, their thorough NEPA review of the Project and the PCGP. That review will culminate in the issuance of a Final Environmental Impact Statement. It is anticipated that the construction and operation of the Project and the PCGP will be in accordance with the environmental mitigation measures that FERC may specify in its authorization order.

VII.

APPENDICES

Appendix A:	Verification
Appendix B:	Opinion of Counsel

VIII.

CONCLUSION

JCLNG respectfully requests that DOE/FE deem that JCLNG's proposed importation of natural gas from Canada is consistent with the public interest and grant, without modification or delay, JCLNG's request, as more fully described in this application, for long-term authorization to import from Canada, on its own behalf and as agent for individual customers

that hold title to the natural gas, up to 565.75 Bcf per year of natural gas for a 25-year term commencing on the earlier of the date of first export or the date ten years from the date the requested authorization is granted.

Dated: October 21, 2013

Respectfully submitted,

By: /s/ Beth L. Webb
Beth L. Webb
Joan M. Darby
Dickstein Shapiro LLP
1825 Eye Street, N.W.
Washington, DC 20006
(202) 420-2200

Attorneys for Jordan Cove LNG L.P.

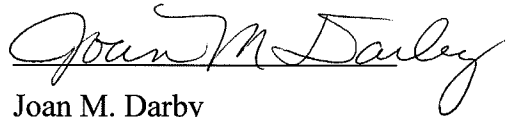
APPENDIX A

VERIFICATION

VERIFICATION

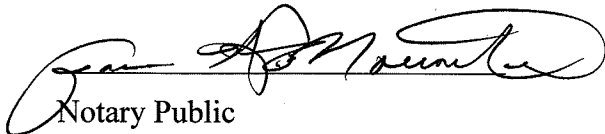
DISTRICT OF COLUMBIA

I, Joan M. Darby, being duly sworn on oath, hereby affirm that: I am a duly authorized representative of Jordan Cove LNG L.P.; I am familiar with the contents of the JCLNG's Application for Long-Term Authorization to Import Natural Gas from Canada; and, the matters set forth in the Application are true and correct to the best of my knowledge, information and belief.

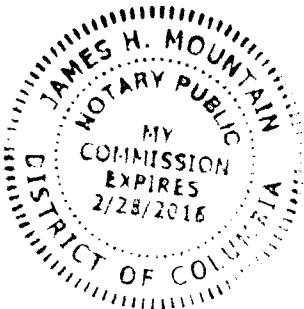


Joan M. Darby

Sworn to and subscribed before me,
a Notary Public in and for the
District of Columbia on
this 2nd day of October, 2013


Notary Public

James H. Mountain
Notary Public, District of Columbia
My Commission Expires 2/28/2016



APPENDIX B

OPINION OF COUNSEL

DICKSTEINSHAPIRO_{LLP}

1825 Eye Street NW | Washington, DC 20006-5403
TEL (202) 420-2200 | FAX (202) 420-2201 | dicksteinshapiro.com

October 21, 2013

Mr. John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy
U.S. Department of Energy
1000 Independence Avenue SW
Washington, D.C. 20585

Re: Jordan Cove LNG L.P.
Application for Long-Term Authorization to Import Natural Gas from Canada
DOE/FE Docket No. 14-____-NG

Dear Mr. Anderson:

This opinion is furnished to you pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. §590.202(c) and the Application of Jordan Cove LNG L.P. (JCLNG) for Authorization to Import Natural Gas from Canada. We are counsel to JCLNG, a limited partnership organized under the laws of the State of Delaware, in connection with the referenced Application. We have reviewed and relied upon the limited partnership formation documents of JCLNG and information provided to us by JCLNG. Based on the foregoing, and for the purposes of the Application to the Office of Fossil Energy, we are of the opinion that the proposed imports as described in the Application are within the limited partnership powers of JCLNG.

Very truly yours,

/s/ Dickstein Shapiro LLP