

From: [Ryu Nishida](#)
To: [LNGStudy](#)
Subject: 2012 LNG Export Study
Date: Wednesday, January 23, 2013 3:14:18 AM
Attachments: [JGA's comment on the 2012 LNG Export Study.pdf](#)

To whom it may concern,

I am hereby submitting the attached initial comment regarding the 2012 LNG Export Study on behalf of Toshiyuki Kanisawa, Vice Chairman, The Japan Gas Association.

Thank you in advance for your consideration.

Best regards,

Ryu Nishida
General Manager, International Relations
The Japan Gas Association



The Japan Gas Association

1-15-12, Toranomom, Minato-ku, Tokyo
105-0001, Japan

Tel:+81 3 3502 0116 Fax:+81 3 3502 3676

January 23, 2013

U.S. Department of Energy (FE-34)
Office of Natural Gas Regulatory Activities
Office of Fossil Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Madam/Sir,

The Japan Gas Association welcomes the conclusion of the report on “Macroeconomic Impacts of LNG Exports from the United States” prepared for the Department of Energy by NERA Economic Consulting (referred to below as the “2012 LNG Export Study”) that the U.S. would experience net economic benefits from LNG exports.

The Japan Gas Association is an association of 209 city gas utilities whose purpose is to contribute to the economy and quality of life in Japan by ensuring the safety and stability of energy supplies and addressing environmental issues.

Japan’s gas utilities depend on imported LNG for the majority of the gas that they supply to customers. LNG is imported from abroad by nine of the larger utilities out of the associations’ 209 members, with most of the other utilities purchasing LNG or vaporized LNG from these large buyers to supply to their own customers.

Since importation of LNG from Kenai, Alaska, commenced in 1969, Japan’s LNG buyers (mostly gas utilities and electric power companies) have been steadily developing the infrastructure, such as LNG receiving terminals and pipelines, to meet growing natural gas demand, and they have entered long-term purchasing agreements for terms of around 20 years with LNG projects in Southeast Asia, Australia, the Middle East, and elsewhere. In 2011, Japan imported approximately 79 million tons (approximately 4 trillion cubic feet) of LNG, and LNG demand is projected to remain solid in the future.

With LNG export projects currently planned in the U.S., we believe that securing long-term agreements with Japanese buyers will, given their high credit ratings and long track records of



The Japan Gas Association

unfailingly fulfilling such agreements and steadily purchasing LNG for more than four decades now, contribute to these projects' launch and stable long-term management. This will have definite stable and long-term benefits for the U.S. economy, including jobs creation in the U.S. natural gas industry.

Two of Japan's largest gas utilities, Tokyo Gas and Osaka Gas, have begun to take concrete steps toward importing LNG from the U.S.

Tokyo Gas, with Sumitomo Corporation, is close to execute a liquefaction tolling agreement with Dominion Cove Point LNG, LP, which is considering development of a liquefaction project at Cove Point in Maryland. Osaka Gas, on the other hand, already has a liquefaction tolling agreement, signed in July 2012, with FLNG Liquefaction, LLC, which is considering a liquefaction project in Quintana, Texas.

We hope that following the period for initial comments and reply comments submitted in response to the 2012 LNG Export Study, the Department of Energy will swiftly assess applications for authorization of LNG exports to non-FTA countries.

Thank you for your consideration.

Sincerely,

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Toshiyuki Kanisawa

Vice Chairman

The Japan Gas Association