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

4:14 pm, Mar. 9, 2015

Pieridae Energy (USA) Ltd.

)

FE Docket No. 14-179-LNG

**MOTION FOR LEAVE TO REPLY AND REPLY OF
SAINT JOHN GAS MARKETING COMPANY**

Pursuant to the Department of Energy's ("DOE") Administrative Procedures With Respect to the Import and Export of Natural Gas, 10 C.F.R. § 590.302 (2014), Saint John Gas Marketing Company ("SJGM") hereby moves for leave to reply and replies to Pieridae Energy (USA) Ltd.'s ("Pieridae") February 23, 2015 "Consolidated Answer of Pieridae Energy (USA) Ltd. In Opposition to the Motions to Intervene, the Protests, the Comments, and the Requests for Extension of Deadline to Comment and Intervene Filed by Various Entities" ("Answer").

I. MOTION FOR LEAVE TO REPLY

Although DOE's administrative rules do not automatically provide parties the right to a reply, the rules generally allow procedural motions. 10 C.F.R. § 590.302 (2014). Good cause exists to grant SJGM's motion for leave to reply to allow SJGM to correct factual misstatements by Pieridae in its Answer. DOE regularly has granted motions to reply,¹ and it should do so here, especially when SJGM now raises no arguments on the merits of Pieridae's application but seeks only to clarify that SJGM's motion to intervene was properly served, contrary to Pieridae's suggestion, and that Pieridae is without grounds to oppose SJGM's intervention.

¹ See, e.g., *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at Ordering Para. R (Sept. 11, 2013) (granting motions to reply filed by Sierra Club and Riverkeeper); *Freeport LNG Expansion, L.P., et al.*, DOE/FE Order No. 3357 at Ordering Para. T (Nov. 15, 2013) (granting motion to reply and reply of Sierra Club); *Cameron LNG, LLC*, DOE/FE Order No. 3391 at Ordering Para R (Feb. 11, 2014) (granting motion to reply by Sierra Club).

II. REPLY

Pieridae's Answer includes an opposition to all 31 motions to intervene. Answer at 1. Included in this discussion is SJGM's motion to intervene, which Pieridae faults only because "neither Pieridae US nor its legal representative have any record of having received such service of the Motions to Intervene." Answer at 5. Notwithstanding Pieridae's statements, SJGM's motion to intervene was served properly, as demonstrated in Exhibits A and B, as all four contacts listed in Pieridae's application were mailed paper copies of SJGM's motion to intervene, and Pieridae's legal representatives were emailed electronic copies of SJGM's motion to intervene on the date of the filing.

SJGM's service was in compliance with DOE's administrative rules, which provide that "service requirements . . . may be met by serving a copy of all documents on the applicant and on FE for inclusion in the FE docket in the proceeding." 10 C.F.R. § 590.107(b). Further, "[a]ll documents required to be served under this party may be served by hand, certified mail, registered mail, or regular mail." *Id.* at § 590.107(c). Moreover, "service is deemed complete upon delivery or upon mailing, whichever occurs first." *Id.* Finally, "[s]ervice of each document must be made not later than the date of the filing of the document." *Id.* at § 590.103(b).

Pieridae's claim that it has no record of service is not a sufficient basis on which to deny SJGM's motion to intervene. SJGM complied with DOE's service requirements, which deem service to be complete upon the mailing of the documents. 10 C.F.R. §590.107(b). As attested to in the certificate of service accompanying SGJM's motion to intervene, SJGM's motion to intervene was mailed on February 9, 2015—the date of filing—to all four contacts listed in Pieridae's application. *See* Exhibit A. Moreover, to effectuate timely notice of SJGM's motion to intervene, SJGM went above the service requirements and emailed a copy of the motion to intervene to Pieridae's outside counsel on February 9, 2015. *See* Exhibit B.

The alleged foregoing procedural deficiency, which is clearly erroneous, is the only alleged fault in Pieridae's Answer specifically against SJGM's motion to intervene.² Pieridae does not otherwise challenge SJGM's motion to intervene and therefore "[f]ailure to answer is deemed a waiver of any objection to the intervention." 10 C.F.R. § 590.303(d).

DOE should grant SJGM's motion to intervene filed on February 9, 2015, and accept this reply to clarify that Pieridae was properly served.

WHEREFORE, in consideration of the foregoing, Saint John Gas Marketing Company respectfully requests that it be permitted to intervene in the captioned docket, be made a party for all purposes, and that DOE accept this motion for leave to reply and reply.

Respectfully submitted,

/s/ Kirstin E. Gibbs
Kirstin E. Gibbs
Tyler S. Johnson
Bracewell Giuliani LLP
2000 K St. NW Suite 500
Washington, DC 20006

Attorneys for Saint John Gas Marketing Co.

March 9, 2015

² Pieridae generally alleges that "[e]ach of the Motions to Intervene fail [sic] to adequately (1) set out clearly and concisely the facts upon which the Filer's claim of interest is based and (2) state the factual and legal basis for their respective positions." Answer at 8. Presumably, Pieridae also is lumping SJGM into this grouping, yet Pieridae's discussion includes no mention of SJGM, and Pieridae's discussion addresses the statements and positions of environmental advocacy groups, which proffered different justifications than SJGM for intervening. Accordingly, to the extent Pieridae is alleging deficiency with SJGM's motion to intervene, such allegations are without specificity, are groundless, and should be rejected. SJGM set forth a basis for its intervention in its motion to intervene and does not repeat such grounds here.

UNITED STATES OF AMERICA

BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Pieridae Energy (USA) Ltd.

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FE Docket No. 14-179-LNG

VERIFICATION

SEATTLE

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WASHINGTON

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Pursuant to 10 C.F.R. § 590.103(b) (2014), Tyler S. Johnson, being duly sworn, affirms that he is authorized to execute this verification, that he has read the foregoing document, and that all facts stated herein are true and correct to the best of his knowledge, information, and belief.



Tyler S. Johnson
Bracewell Giuliani LLP
701 Fifth Ave. Suite 6200
Seattle, WA 98104
tyler.johnson@bgllp.com

Attorney for Saint John Gas Marketing Co.

Subscribed and sworn to before me this 9th day of March, 2015.


Notary Public

My Commission Expires: 7/17/2017



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on the service applicant and the Department of Energy's Office of Fossil Energy in accordance with the requirements of 10 C.F.R. § 590.107 (2014).

/s/ Tyler S. Johnson
Tyler S. Johnson

March 9, 2015

Exhibit A

February 9, 2015

Alfred B. Sorensen
President
Pieridae Energy (USA) Ltd.
1718 Argyle Street, Suite 730
Halifax, Nova Scotia, Canada B3J 3N6

Mark Brown
Director, Project Development
Pieridae Energy (USA) Ltd.
1718 Argyle Street, Suite 730
Halifax, Nova Scotia, Canada B3J 3N6

Erik J.A. Swenson
Partner
Fulbright & Jaworski LLP
801 Pennsylvania Avenue, NW
Washington, DC 20004-2623

Islara U. Rodriguez
Associate
Fulbright & Jaworski LLP
1301 McKinney, Suite 5100
Houston, TX 77010-3095

Dear Messrs. Sorensen, Brown, Swenson and Ms. Rodriguez:

Pursuant to the Department of Energy's regulations, 10 C.F.R. § 590.107(b) (2014), please find enclosed a copy of the Motion to Intervene by Saint John Gas Marketing Co. in DOE FE Docket No. 14-179-LNG, which pertains to the application filed by Pieridae Energy (USA) Ltd.

Please contact the undersigned if you have any questions.

Very truly yours,

Bracewell & Giuliani LLP



Tyler Johnson

TJ/vw
Enclosure

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

Pieridae Energy (USA) Ltd.

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FE Docket No. 14-179-LNG

**MOTION TO INTERVENE OF
SAINT JOHN GAS MARKETING COMPANY**

Pursuant to the Department of Energy's ("DOE") Administrative Procedures With Respect to the Import and Export of Natural Gas, 10 C.F.R. §§ 590.302, 590.303 (2014) and the notice published in the Federal Register on December 10, 2014,¹ Saint John Gas Marketing Company ("SJGM") hereby moves to intervene in FE Docket No. 14-179-LNG, which concerns the application of Pieridae Energy (USA) Ltd. ("Pieridae") to export natural gas to Canada for subsequent liquefaction and export to Free Trade Agreement ("FTA") countries and non-FTA countries.

I. COMMUNICATIONS

Communications concerning this motion should be addressed as follows, and the following should be included on the official service list in this proceeding:

Xochitl M. Perales
General Counsel
Legal Service Dept. USA & Canada
2455 Technology Forest Blvd.
The Woodlands, TX 77381
Tel: 832-442-1726
xperalesm@repsol.com

Kirstin E. Gibbs
Tyler S. Johnson
Bracewell & Giuliani LLP
2000 K St. NW Suite 500
Washington, DC 20006
Tel: 202-828-5000
kirstin.gibbs@bgllp.com
tyler.johnson@bgllp.com

¹ *Pieridae Energy (USA) Ltd.; Application for Long-term Authorization to Export Domestically Produced Natural Gas Through Canada to Non-Free Trade Agreement Countries After Liquefaction to Liquefied Natural Gas for a 20-Year Period*, 79 Fed. Reg. 73285 (Dec. 10, 2014).

II. BACKGROUND

On October 24, 2014, Pieridae filed an application with DOE seeking long-term (20-year), multi-contract authorization to export to Canada up to 292 Bcf per year of natural gas. Pieridae indicated that the point of export will be near Baileyville, Maine on the Maritimes & Northeast US Pipeline. The natural gas Pieridae proposes to export to Canada will be either (1) converted to liquefied natural gas (“LNG”) in Canada and exported to one or more countries with which the U.S. has a Free Trade Agreement; (2) converted to LNG in Canada and exported to one or more countries with which the U.S. does not have an FTA; or (3) consumed within Canada as a source of energy in the production of electricity that may be used to operate Pieridae’s proposed liquefaction facilities.²

Pieridae and its affiliates intend to construct two liquefaction production trains, LNG storage and marine loading facilities, and ancillary facilities necessary to liquefy natural gas and to store and deliver LNG.³ The foregoing facilities are proposed to be located in Guysborough County, Nova Scotia, Canada. Pieridae’s liquefaction and export project, the Goldboro LNG project, will be capable of producing approximately 10 million metric tons per annum (“mpta”), which is roughly equivalent to 487 Bcf/year (1.33 Bcf/day).⁴

Pieridae states that it will not construct, expand, or modify any pipeline facilities in the U.S. in conjunction with its proposed exports, and Pieridae states that it has not entered into any agreement with any third party in relation to any proposal to construct, expand, or modify any pipeline system in the U.S.⁵ Nonetheless, Pieridae explains that it may take capacity on new

² Application at 3-4.

³ *Id.* at 10.

⁴ *Id.*

⁵ *Id.* at 8.

pipelines or expansions and that it may source natural gas from various U.S. basins. Pieridae also states that service to its Goldboro LNG project would not result in the impairment of service to other customers.⁶

Pieridae states that the natural gas exports and associated Goldboro LNG project will bring numerous benefits to the U.S. public through the purchase of U.S. equipment, engineering services, and technology for construction, operation, and maintenance of the Goldboro LNG project. Further, Pieridae states that purchasing of U.S.-sourced natural gas will stimulate the U.S. economy, generate additional tax revenues and U.S. jobs, and make a substantial contribution to the U.S. balance of payments. Pieridae claims that these benefits demonstrate that the proposed exports are not inconsistent with the public interest.⁷

III. INTERVENTION

Saint John Gas Marketing Company is a Delaware corporation with its principal place of business in The Woodlands, TX. SJGM is a wholly-owned subsidiary of Repsol St. John LNG, S.L. (“RSJLNG”). RSJLNG is a Spanish corporation with its principal place of business in Madrid, Spain.

Good cause exists to grant SJGM leave to intervene in this proceeding. Affiliates of SJGM are considering a natural gas liquefaction and LNG export project to be located at the existing Canaport LNG terminal in Saint John, New Brunswick, Canada.⁸ Like Pieridae, this project also is considering exporting natural gas by pipeline to Canada for subsequent export as LNG. DOE’s regulatory approach to adjudicating applications to export natural gas by pipeline to an adjacent country for subsequent export as LNG appears to be a case of first impression. As

⁶ *Id.* at 24.

⁷ *Id.* at 30-31.

⁸ SJGM may act the U.S.-marketing agent for procuring potential U.S.-sourced natural gas.

such, SJGM has a direct interest in both the public interest analysis to be conducted by DOE for Pieridae's application and in the outcome of this proceeding.⁹ Thus, SJGM has a direct, substantial, and vital interest in this proceeding and desires to intervene in order to protect that interest. SJGM is not now, and will not be, adequately represented by any other party in these proceedings, and may be affected by DOE's action on Pieridae's application.

WHEREFORE, in consideration of the foregoing, Saint John Gas Marketing Company respectfully requests that it be permitted to intervene in the captioned docket and be made a party for all purposes.

Respectfully submitted,

/s/ Kirstin E. Gibbs

Kirstin E. Gibbs

Tyler S. Johnson

Bracewell Giuliani LLP

2000 K St. NW Suite 500

Washington, DC 20006

Attorneys for Saint John Gas Marketing Co.

February 9, 2015

⁹ The outcome of the proceeding could affect SJGM's economic interests. See *Cameron LNG, LLC*, DOE/FE Order No. 3391, *Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations*, at 125-6 (Feb. 11, 2014) (stating "...the economic consequences of granting the Application could be far-reaching and could affect the interests of the movants and their members. This fact alone is good cause to permit their intervention.").

CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE

Pursuant to 10 C.F.R. § 590.103(b) (2014), I, Kirstin E. Gibbs, hereby certify that I am a duly authorized representative of Saint John Gas Marketing Company, and that I am authorized to sign and file with the Department of Energy's Office of Fossil Energy, on behalf Saint John Gas Marketing Company, the foregoing document in the above-reference proceeding.

/s/ Kirstin E. Gibbs
Kirstin E. Gibbs
Bracewell Giuliani LLP
2000 K St. NW Suite 500
Washington, DC 20006
kirstin.gibbs@bgllp.com

Attorney for Saint John Gas Marketing Co.

Dated in Washington, D.C.: February 9, 2015

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Pieridae Energy (USA) Ltd.

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FE Docket No. 14-179-LNG

VERIFICATION

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Pursuant to 10 C.F.R. § 590.103(b) (2014), Tyler S. Johnson, being duly sworn, affirms that he is authorized to execute this verification, that he has read the foregoing document, and that all facts stated herein are true and correct to the best of his knowledge, information, and belief.



Tyler S. Johnson
Bracewell Giuliani LLP
701 Fifth Ave. Suite 6200
Seattle, WA 98104
tyler.johnson@bgllp.com

Attorney for Saint John Gas Marketing Co.

Subscribed and sworn to before me this 9th day of February, 2015.



Notary Public

My Commission Expires: 7/17/17



CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on the applicant and the Department of Energy's Office of Fossil Energy in accordance with the requirements of 10 C.F.R. § 590.107(b) (2014).

/s/ Tyler S. Johnson

Tyler S. Johnson

February 9, 2015

Exhibit B

Johnson, Ty

From: Johnson, Ty
Sent: Monday, February 09, 2015 4:21 PM
To: 'erik.j.a.swenson@nortonrosefulbright.com'; 'islara.rodriguez@nortonrosefulbright.com'
Subject: FE Docket No. 14-179-LNG
Attachments: Saint_John_Gas_Marketing_Co__MTI_in_Pieridae_Docket_14-179-LNG.pdf

All,

Please find attached the motion to intervene filed today by Saint John Gas Marketing Co. in FE Docket No. 14-179-LNG regarding the application of Pieridae Energy (USA) Ltd. Pursuant to 10 CFR 590.107(b), hard copies are being mailed to the addresses provided in Pieridae's application.

Very Respectfully,
Tyler Johnson | Attorney | Bracewell & Giuliani LLP
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