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Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
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Washington, DC 20585

The logo for Norton Rose Fulbright, featuring a stylized orange triangle above the company name in red, bold, sans-serif capital letters.

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Re: FE Docket No. 14-179-LNG, Supplement to Application for Long-Term, Multi-Contract Authorization to Export Natural Gas into Canada for Consumption and through Canada to Free Trade and Non-Free Trade Agreement Nations after Conversion into LNG by Pieridae Energy (USA) Ltd. (the "Application")

Dear Mr. Anderson:

Pursuant to 10 C.F.R. § 590.204(a) (2015), Pieridae Energy (USA) Ltd. ("Pieridae") respectfully submits the enclosed Supplement to Pieridae's Application currently pending before the U.S. Department of Energy's Office of Fossil Energy in FE Docket No. 14-179-LNG.

Please do not hesitate to contact us should you have any questions regarding this matter.

Respectfully submitted

/s/ Erik J.A. Swenson

Erik J.A. Swenson
Islara U. Rodriguez
Attorneys for Pieridae Energy (USA) Ltd.

EJS/IUR

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

In The Matter Of:

PIERIDAE ENERGY (USA) LTD.

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Docket No. 14-179-LNG

**SUPPLEMENT TO APPLICATION FOR LONG-TERM, MULTI-CONTRACT
AUTHORIZATION TO EXPORT NATURAL GAS INTO CANADA FOR
CONSUMPTION AND THROUGH CANADA TO FREE TRADE AND NON-FREE
TRADE AGREEMENT NATIONS AFTER CONVERSION INTO LNG**

Pursuant to 10 C.F.R. § 590.204(a),¹ Pieridae Energy (USA) Ltd. (“Pieridae US”) hereby submits this supplement (“Supplement”) to its Application for Long-Term, Multi-Contract Authorization to Export Natural Gas into Canada for Consumption and through Canada to Free Trade and Non-Free Trade Agreement Nations after Conversion into LNG (“Application”) currently pending before the Department of Energy’s (“DOE”) Office of Fossil Energy (“DOE/FE”) in the above-captioned proceeding.

In its Application, Pieridae US seeks authorization to engage in long-term multi-contract authorization to export up to 292 billion cubic feet of natural gas per year (“Bcf/y”) (or approximately 0.8 billion cubic feet of natural gas per day (“Bcf/d”)) from the United States of America (the “US” or the “United States”) to Canada for:

- (a) use as feedstock in a Canadian natural gas liquefaction facility, where the liquefied natural gas (“LNG”) produced from such feedstock would be exported from Canada to one or more countries with which the US has a

¹ 10 C.F.R. § 590.204(a) (2015) (stating an applicant who has submitted an application for authorization to import or export natural gas under Section 3 of the Natural Gas Act “may amend or supplement the application at any time prior to issuance of the Assistant Secretary’s final opinion and order resolving the application, and shall amend or supplement the application whenever there are changes in material facts or conditions upon which the proposal is based.”).

Free Trade Agreement (“FTA”) requiring national treatment for trade in natural gas (collectively, the “FTA Countries” and each an “FTA Country”) and, thereafter, consumed in one or more FTA Countries;

(b) use as feedstock in a Canadian natural gas liquefaction facility, where the LNG produced from such feedstock would be exported from Canada to one or more countries which do not qualify as FTA Countries, but with which trade is lawful (collectively, the “Non-FTA Countries” and each a “Non-FTA Country”) and consumed in one or more Non-FTA Countries;²

or

(c) use in Canada as a source of energy in the production of electricity applied, in whole or in part, to operate a Canadian natural gas liquefaction facility and for other potential uses that constitute consumption in Canada for purposes other than as feedstock in the Canadian natural gas liquefaction facility for the production of LNG;

(collectively, the “Specified Purposes” and each a “Specified Purpose”).³

The volume of 292 Bcf/y of natural gas is the equivalent of approximately 302.8 trillion British thermal units per year (“Btu/y”) or 302,800,000 million Btu/y of natural gas.⁴ Pieridae

² Upon the DOE/FE authorizing exports to both FTA Countries and Non-FTA Countries, Pieridae US also seeks authorization for the export of natural gas from the US that is converted to LNG to be exported from Canada initially to (a) a FTA Country where the natural gas is ultimately consumed in a Non-FTA Country, and (b) a Non-FTA Country where the natural gas is ultimately consumed in a FTA Country. For example, Pieridae US envisions that, as the market matures, LNG may be unloaded from a carrier in an FTA Country, then reloaded and exported to a Non-FTA Country where the LNG is regasified and ultimately consumed. Similarly, LNG could be exported to a Non-FTA Country, gasified, and then shipped by pipeline for consumption in an FTA Country.

³ Pieridae US’s request is for authorization to export up to 292 Bcf/y of natural gas in the aggregate, divided in any manner it chooses between the Specified Purposes. Pieridae is **not** seeking authorization to export up to a total of up to 876 Bcf/y of natural gas, subject to categorical caps of (a) 292 Bcf/y of natural gas exports to Canada for conversion to LNG to be sent to FTA Countries, (b) 292 Bcf/y of natural gas exports to Canada for conversion to LNG to be sent to Non-FTA Countries, and 292 Bcf/y of natural gas exports to Canada for consumption in Canada.

⁴ Based on 1,037 Btu per cubic foot of natural gas, which is representative of natural gas on the US portion

US requests that this authorization run for a 20-year term commencing on the earlier of (i) the date of first export; or (ii) seven (7) years from the date of issuance of the authorization requested in the Application.

Pieridae is not proposing any change to such Specified Purposes (including the scope of the potential destinations) for its exports of natural gas from the US, nor is it proposing to change the amount of natural gas to be exported, nor is it proposing to alter the start date or duration of such authorization. However, since the filing of the Application, Pieridae US, as well as its affiliates, have redefined their business plans with respect to (1) the Goldboro LNG Project (“Goldboro”) to be located at the Goldboro Industrial Park in Guysborough County, Nova Scotia, Canada, and (2) some of the arrangements for the supply of natural gas to Goldboro. In order to ensure that the facts in its Application remain accurate and that any authorization issued by the DOE/FE covers those facts, Pieridae US is submitting this Supplement for inclusion in the decision record in DOE/FE Docket No. 14-179-LNG.

Specifically, at the time the Application was filed, Pieridae US expected to continue to own all the natural gas that it exported from the US up to the point where the natural gas was either sold for consumption in Canada, used for fuel to operate the Goldboro LNG Project, or was loaded in the form of LNG onto LNG carriers (after being converted into LNG at Goldboro) for re-export to FTA or Non-FTA countries. In addition, a Pieridae US affiliate was to have obtained all the natural gas from Canada required to operate and serve as feedstock for

of the Maritimes & Northeast Pipeline system (hereinafter referred to as the “M&N Pipeline” with the US portion referred to as the “M&N US Pipeline”). This conversion factor is similar to the average heat content of 1 standard cubic foot of natural gas on the M&N US Pipeline for the six month period from April 1, 2014 to September 30, 2014, based on data from the company’s website. *Maritimes & Northeast Pipeline – United States*, LINKSYSTEM INFORMATIONAL POSTINGS, <http://infopost.spectraenergy.com/infopost/MNUSHome.asp?pipe=MNUS&mode=1> (follow “Chromatograph Postings” hyperlink under “Gas Quality”) (During this period, the simple average heat content over all hours from all stations equaled 1,034 Btu/cf, and the heat content ranged from a maximum of 1,073 Btu/cf to a minimum of 1,011 Btu/cf, with a median of 1,039 Btu/cf.)

Goldboro's liquefaction Train 1. Recently, Pieridae US and its affiliates have refined their business plan so that Pieridae US may also sell (and transfer title to) some or all of the natural gas that Pieridae US exports from the US to one or more other entities, including to one or more affiliates (e.g., Pieridae Energy (Canada) Ltd. ("Pieridae CA")). The point of sale/transfer of title of the natural gas in these circumstances would occur at a point on the Canadian side of the US-Canada border before the natural gas is processed into LNG at Goldboro. In the case of natural gas purchased by Pieridae CA, Pieridae CA would be responsible for the production of LNG from such natural gas and the export of the LNG from Canada to FTA or Non-FTA Countries.

Because Pieridae US understands that the DOE/FE may consider Pieridae US to be acting as a agent for others with respect to the export of natural gas from the US under such circumstances, Pieridae US hereby requests that the DOE/FE grant Pieridae US authorization to export natural gas as agent for others, including but not limited to Pieridae CA, who would themselves hold title to the natural gas exported from the US, including LNG made from such natural gas, at the time such LNG is re-exported from Canada for delivery to FTA or Non-FTA Countries. Pieridae US hereby commits to comply with all DOE/FE requirements for exports and agents, including the registration requirements as first established in DOE/FE Order No. 2913⁵ and more recently set forth in DOE/FE Order No. 3620.⁶ In this regard, Pieridae US, when acting as agent, will: (1) register, or cause to be registered, with the DOE/FE each title holder for whom Pieridae US seeks to export as agent; (2) provide the DOE/FE, or cause the

⁵ *Freeport LNG Expansion, L.P. and FLNG Liquefaction LLC, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 10, 2011).

⁶ *Cameron LNG, LLC, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal in Cameron Parish, Louisiana, to Free Trade Agreement Nations*, DOE/FE Order No. 3620, FE Docket No. 14-201-LNG (April 9, 2015).

DOE/FE to be provided, with a non-redacted copy of all executed long-term contracts associated with the export of natural gas from the US on its own behalf or as agent for others where such natural gas is to be converted to LNG in Canada and subsequently re-exported from Canada; (3) to the extent that such contracts are filed under seal, provide the DOE/FE, or cause the DOE/FE with, redacted copies or summaries of the major provisions of such contracts for publication; and (4) include, and require others for whom Pieridae US acts as agent to include, provisions in any agreement or other contract for the sale or transfer of natural gas for the purpose of re-export from Canada, whereby the customer or purchaser acknowledges and agrees that it will (i) resell or transfer such natural gas or LNG made from such natural gas for delivery only to countries permitted under the terms of any DOE/FE order issued in conjunction with the Application and/or to purchasers that have agreed to limit their direct or indirect resale or transfer of such natural gas or LNG to such countries; (ii) cause a report to be provided to Pieridae US that identifies the country of destination, upon delivery, into which such natural gas or LNG was actually delivered; and (iii) include in any resale contract for such natural gas or LNG the necessary conditions to ensure that Pieridae US is made aware of all such actual destination countries.

Pieridae US respectfully requests that the DOE/FE accept this Supplement to its pending Application and grant Pieridae US authorization to also export natural gas from the United States to Canada as agents for others.

Respectfully submitted,



Erik J.A. Swenson
Islara U. Rodriguez
Attorneys for Pieridae Energy (USA) Ltd.

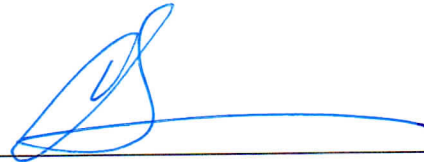
Dated: May 6, 2015

UNITED STATES OF AMERICA DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

VERIFICATION

Alfred Sorensen, first being sworn, states that he is President of Pieridae Energy (USA) Ltd. and that he is duly authorized to execute this Verification; that he has read the foregoing filing and is familiar with the contents thereof; and that all of the statements of fact herein contained are true and correct to the best of his knowledge and belief.

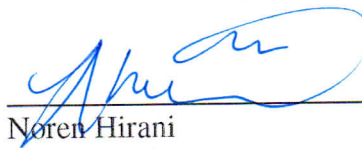


Alfred Sorensen
on behalf of
Pieridae Energy (USA) Ltd.

PROVINCE OF ALBERTA

Subscribed and sworn to before me on this 6th day of May 2015, Alfred Sorensen proved to me on the basis of satisfactory evidence to be the person who appeared before me.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my seal of Office at the City of Calgary, in the Province of Alberta, this 6th day of May, 2015.



Noren Hirani
Student-at-law



Certificate of Service

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list for this proceeding.

Dated at Washington, D.C. this 8th day of May, 2015.

/s/ Maguette Fame
Maguette Fame
Special Services Manager on behalf of
Pieridae Energy (USA) Ltd.