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March 7, 2014

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
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Washington, D.C. 20585

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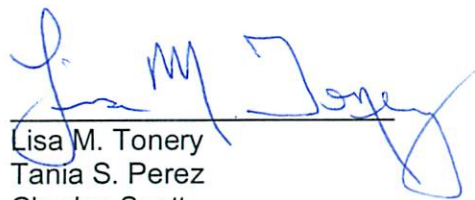
Re: In the Matter of Cheniere Marketing, LLC
FE Docket No. 14- 31-LNG
Application for Blanket Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

Enclosed for filing on behalf of Cheniere Marketing, LLC ("CMI"), please find CMI's application for blanket authorization to engage in short-term exports of up to 500 billion cubic feet ("Bcf"), on a cumulative basis, of liquefied natural gas ("LNG") that has been imported into the United States from foreign sources, for a two-year period commencing on June 7, 2014. CMI seeks authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.¹

Should you have any questions, please contact the undersigned at (212) 318-3009.

Respectfully submitted,



Lisa M. Tonery
Tania S. Perez
Charles Scott
Attorneys for
Cheniere Marketing, LLC

¹ A check in the amount of \$50.00 is being provided as the filing fee stipulated by 10 C.F.R. § 590.207.

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

In The Matter Of:

CHENIERE MARKETING, LLC

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FE Docket No. 14 - 31 - LNG

**APPLICATION OF CHENIERE MARKETING, LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717b, and Part 590 of the Department of Energy’s (“DOE”) regulations, 10 C.F.R. Part 590 (2014), Cheniere Marketing, LLC (“CMI”) hereby requests that DOE, Office of Fossil Energy (“FE”), issue an order granting blanket authorization for CMI to engage in short-term exports of up to 500 billion cubic feet (“Bcf”), on a cumulative basis (which is the equivalent of up to approximately 525 to 545 Trillion British Thermal units (“TBtus”)) of liquefied natural gas (“LNG”) that has been imported into the U.S. from foreign sources, for a two-year period commencing on June 7, 2014, which is the day following the date upon which CMI’s existing blanket re-export authorization (DOE/FE Order No. 3102) is scheduled to expire. CMI is seeking authorization to export previously imported LNG from the Sabine Pass LNG terminal, owned by Sabine Pass LNG, L.P., in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

In support of its application, CMI states as follows:

**I.
DESCRIPTION OF THE APPLICANT**

The exact legal name of CMI is Cheniere Marketing, LLC. CMI is a Delaware limited liability company with its principal place of business in Houston, Texas. CMI is a wholly-owned

subsidiary of Cheniere Development, Inc. (“Cheniere Development”), which in turn is a wholly-owned subsidiary of Cheniere Energy, Inc. (“Cheniere Energy”). Cheniere Development and Cheniere Energy are Delaware corporations with their primary place of business in Houston, Texas. Cheniere Energy is a developer of LNG import and export terminals and natural gas pipelines on the Gulf Coast, including the Sabine Pass LNG terminal.

On June 7, 2012, in DOE/FE Order No. 3102 (“Order No. 3102”), FE authorized CMI to engage in short-term exports of up to 500 Bcf, on a cumulative basis, of LNG that has been imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing June 7, 2012.¹ Most recently, on December 3, 2012, FE granted CMI blanket authorization to import LNG from various international sources.² Under the terms of the blanket authorization the LNG may be imported at any LNG receiving facility in the United States and its territories.

¹ *Cheniere Marketing, LLC*, DOE/FE Order No. 3102 (June 6, 2012).

² *Cheniere Marketing, LLC*, DOE/FE Order No. 3208 (Dec. 3, 2012). This authorization enables CMI to import and export natural gas from and to Canada and Mexico, to export LNG to Canada and Mexico by vessel and truck and to import LNG from various international sources, up to a combined total of 1,600 Bcf of natural gas for a two-year period beginning on January 29, 2013.

II.

COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:³

Patricia Outtrim
Rina Chang
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Pursuant to Section 590.103(a) of the DOE regulations, 10 C.F.R. §590.103(a) (2014), CMI hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of CMI.

III.

DESCRIPTION OF PROPOSAL

CMI requests blanket authorization to export previously imported LNG on a short-term or spot market basis up to 500 Bcf (the equivalent of approximately 525 to 545 TBtus) cumulatively over a two-year period commencing on June 7, 2014. CMI anticipates exporting previously-imported LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. CMI is not seeking authorization to export domestically-produced natural gas or LNG. The LNG that is proposed to be exported is derived from CMI's LNG importing activities and resides in LNG storage tanks at the Sabine Pass LNG terminal. That LNG will either be re-exported or regasified to be

³ CMI requests waiver of Section 590.202(a) of DOE's regulations, 10 C.F.R. § 590.202(a) (2014), to the extent necessary to include outside counsel on the official service list in this proceeding.

consumed in the domestic natural gas market contingent on U.S. and global market price signals. No additional physical modifications to the Sabine Pass LNG terminal are required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before DOE or any other federal agency.

IV. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁴ Section 3 thus creates a statutory presumption in favor of approval of this application which opponents bear the burden of overcoming.⁵ Further, in evaluating an export application, FE applies the principles described in DOE Delegation Order No. 0204-111, which focuses primarily on domestic need for the gas to be exported, and the Secretary’s natural gas policy guidelines.⁶ As detailed below, CMI’s proposal to export LNG to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and FE’s policy.

In Order No. 3102, which granted CMI blanket authorization to export up to 500 Bcf (cumulative) of previously imported foreign-sourced LNG, FE determined that the record showed sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without relying on the volumes of imported LNG that CMI would seek to

⁴ 15 U.S.C. 717b (2006).

⁵ In *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA “requires an affirmative showing of inconsistency with the public interest to deny an application” and that a “presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive.” See also *Independent Petroleum Association v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle and Royalty Owners Association v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

⁶ See 49 Fed. Reg. 6684, February 22, 1984.

export.⁷ Most recently, in DOE/FE Order No. 3359 (“Order No. 3359”) issued in November 2013, FE made the same finding in granting ConocoPhillips Company (“ConocoPhillips”) blanket authority to export 500 Bcf of previously imported LNG from the Freeport LNG Development, L.P. terminal on Quintana Island, Texas.⁸ In Order No. 3359, FE stated that “United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which ConocoPhillips seeks to export.”⁹

Similarly, in Order No. 3359, as well as in other blanket authorizations issued in recent years, DOE/FE authorized the export of previously imported LNG, in each case citing authoritative data that substantiates U.S. consumer access to ample volumes of natural gas to meet domestic demand from multiple other competitively-priced sources.¹⁰ In Order No. 3359, DOE/FE took administrative notice that the Energy Information Administration (“EIA”) Annual Energy Outlook 2013 (“*AEO2013*”) shows annual domestic dry natural gas production increasing from 21.33 trillion cubic feet (“Tcf”) in 2010 to a projection of 26.61 Tcf by 2020,¹¹ an annual increase of 5.28 Tcf. Consumption over the same period increases only by 2.54 Tcf annually.¹² In this regard, DOE/FE found that *AEO2013* and the record of evidence supporting each of the similar authorizations granted, support the conclusion that the volumes of foreign-sourced LNG that the relevant applicants have sought to export are not needed to meet domestic

⁷ *Cheniere Marketing, LLC*, DOE/FE Order No. 3102 at p. 11.

⁸ *See ConocoPhillips Company*, DOE/FE Order No. 3359 (Nov. 7, 2013) [hereinafter “Order No. 3359”].

⁹ *Id.* at p. 7.

¹⁰ *See Freeport LNG Development, L.P.*, DOE/FE Order No. 3317 (July 19, 2013); *ENI USA Gas Marketing LLC*, DOE/FE Order No. 3247 (March 5, 2013); *Sempra LNG Marketing, LLC*, DOE/FE Order No. 3231 (Feb. 13, 2013); *Chevron U.S.A. Inc.*, DOE/FE Order No. 3221 (Jan 4, 2013); *The Dow Chemical Company*, DOE/FE Order No. 3162 (Oct. 11, 2012).

¹¹ *See* Order No. 3359 at 6-7.

¹² *Id.* at 7.

demand.¹³ Subsequent to DOE/FE's grant of re-export authorization to ConocoPhillips, on December 16, 2013, EIA issued its *Annual Energy Outlook 2014* (Early Release) Reference case, in which it has increased its forecast of cumulative dry natural gas production between 2012 to 2040 by 11% from that in *AEO2013*.¹⁴

CMI is requesting authorization to export LNG for itself and as agent for third parties who themselves hold title to the LNG at the time of export. CMI will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913, and confirmed in *Gulf Coast LNG Export, LLC*, DOE/FE Order No. 3163.¹⁵ In this regard, CMI, when acting as agent, will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in CMI's export authorization; and (ii) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

Granting of CMI's short-term blanket authorization as requested herein would provide CMI with the necessary flexibility it continues to require to respond to changes in domestic and global markets for natural gas and LNG. As reflected in DOE/FE's *Natural Gas Imports and Exports Third Quarter Report 2013*, CMI has availed itself of the flexibility provided by the currently effective Order No. 3102 by exporting previously imported spot-market LNG cargoes. The authorization sought herein would enable CMI to continue to avail itself of such spot-market LNG import cargoes, which in turn promotes the liquidity of supply available to the U.S. market.

¹³ See *id.*; see also generally *supra* n.10.

¹⁴ See *Annual Energy Outlook 2014 Early Release Overview* at 13, available at [http://www.eia.gov/forecasts/aeo/er/pdf/0383er\(2014\).pdf](http://www.eia.gov/forecasts/aeo/er/pdf/0383er(2014).pdf).

¹⁵ See *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 (Feb. 17, 2011); *Gulf Coast LNG Export, LLC*, DOE/FE Order No. 3163 (Jan. 10, 2012).

Natural gas derived from imported LNG would be available to supply local markets when conditions support greater domestic use, and would thereby serve to moderate U.S. gas price volatility. Furthermore, the ability to re-export previously imported LNG helps to encourage continued imports, which in turn helps to ensure that the Sabine Pass LNG terminal facilities will more efficiently remain in ready operating condition. As such, the requested export authorization is consistent with the public interest.

V. ENVIRONMENTAL IMPACT

No changes to the Sabine Pass LNG terminal facilities would be required for CMI's proposed exportation of foreign-sourced LNG. Consequently, granting this application will not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. §4231, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VI. APPENDICES

The following appendices are attached hereto and incorporated by reference herein:

Appendix A: Verification

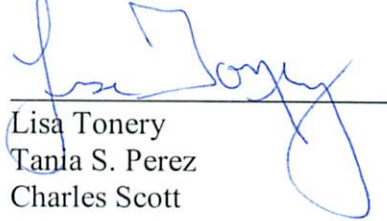
Appendix B: Opinion of Counsel

VII. CONCLUSION

For the foregoing reasons, CMI respectfully requests that FE determine that CMI's request for blanket authorization as discussed herein to enable it to export foreign-sourced LNG from the Sabine Pass LNG terminal to any country with the ability to import LNG via ocean-

going carrier and with which trade is not prohibited by U.S. law or policy, is not inconsistent with the public interest and grant such authorization as expeditiously as possible but no later than June 6, 2014, the date upon which CMI's existing blanket re-export authorization is scheduled to expire.

Respectfully submitted,



Lisa Tonery
Tania S. Perez
Charles Scott
Attorneys for
Cheniere Marketing, LLC

Fulbright & Jaworski LLP
666 Fifth Avenue
New York, New York 10103
(212) 318-3009

Dated: March 7, 2014

I, Patricia Outtrim, V.P. Governmental and Regulatory Affairs for Cheniere Energy, Inc., hereby certify: that I have read the above and foregoing Application of Cheniere Marketing, LLC for Blanket Authorization to Export Liquefied Natural Gas and know its contents; and that the contents are true and correct to the best of my knowledge, information, and belief.

Pat Out

V.P. Governmental and Regulatory Affairs for
Cheniere Energy, Inc.

State of Texas

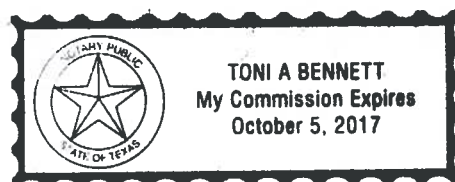
County of Harris

BEFORE ME, the undersigned authority, on this day personally appeared Patricia Outtrim known to me to be the person whose name is subscribed above and is V.P. Governmental and Regulatory Affairs for Cheniere Energy, Inc. and who acknowledged that she executed same for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me on the 17th day of March 2014.

Toni A Bennett

Title: Notary Public





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March 7, 2014

Office of Fuel Programs
Fossil Energy, U.S. Department of Energy
Docket Room 3F-056, FE50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 10585

**Re: Cheniere Marketing, LLC
FE Docket No. 14-___-LNG
Application For Blanket Authorization to Export Liquefied Natural Gas
Opinion of Counsel**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2014). I have examined Cheniere Marketing, LLC's ("CMI") Limited Liability Company Agreement and other authorities as necessary, and have concluded that the proposed exportation of foreign-sourced liquefied natural gas from the Sabine Pass LNG, L.P. terminal to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is within its corporate powers. Further, CMI is authorized to do business in Texas and to engage in foreign commerce.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg Rayford". The signature is written over a horizontal line.

By: Greg Rayford, *Senior Vice President
and General Counsel*
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