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U.S. Department of Energy (FE–34) Office of Regulation and International Engagement Office of Fossil Energy

Filed by E-mail: fergas@hq.doe.gov

Re: FE Docket No. 16-22-CGL (81 Fed. Reg. 22585)

These comments are submitted on behalf of SeaOne Gulfport, LLC ("SeaOne"), the applicant in FE Docket No. 16-22-CGL. We respectfully offer the following clarifications to the subject Federal Register (FR) Notice to be published Monday, April 18, 2016 regarding SeaOne's application.

## 1. Compressed Gas Liquid® (CGL®) is not LNG. SeaOne does not propose to ship any LNG.

Please note that SeaOne has no intention to export liquefied natural gas ("LNG") now or at any time in the future. Though the FR Notice itself correctly references SeaOne's "Application for Long-Term, Multi-Contract Authorization to Export Natural Gas Contained in Compressed Gas Liquid to Non-Free Trade Agreement Countries," we are concerned that in the Federal Register Table of Contents listing for Volume 81, Issue 74 at p. III the matter is incorrectly categorized under the heading "Authorizations to Export Liquefied Natural Gas." [Emphasis added]. This erroneous categorization might create confusion. The references to studies of LNG exports in the Notice's listing of Supplementary Information may cause further confusion to persons that do not understand the clear differentiation between CGL and LNG.

## 2. SeaOne's ability to finance, construct and operate the Gulfport facility is not dependent on authorization to deliver natural gas to NFTA Countries.

SeaOne's planned Gulfport, Mississippi facility will be economically sustainable based solely on its current authority, under existing law and pursuant to DOE/FE Order No. 3555, to deliver the full range of CGL products to free trade agreement (FTA) countries and U.S. territories and to non free trade agreement ("NFTA") countries in the Caribbean for use as vehicular fuels. The only additional authorization which will result from this application is the authorization to deliver CGL products with a Btu content of less than 1200 Btu/scf for non-vehicular use in FTA countries in the Caribbean and bordering the Gulf of Mexico.

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3. SeaOne is not seeking an authorization to export additional natural gas but <u>only</u> the authority to deliver to NFTA countries in the service area a portion of the natural gas covered by the current authorization. The facility can be built and placed into operation, pursuant to existing authority, and will be economically sustainable whether or not the authorization under consideration here is granted.

The subject application, 16-22-CGL, is not a request for authority to export natural gas contained in CGL in excess of the amounts currently authorized for export by SeaOne to FTA countries. Rather, it is intended to provide SeaOne with flexibility to deliver the full range of CGL products containing natural gas to U.S. allies in the Caribbean that seek to use these CGL products in the development of the clean and sustainable energy economies which the U.S.' Caribbean Energy Security Initiative ("CESI") seeks to advance.

Thank you for the opportunity to provide these necessary clarifications.

Sincerely,

Squire Patton Boggs (US) LLP

J. Gordon Arbuckle Senior Partner