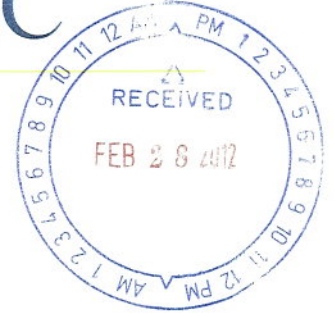


Cambridge Energy LLC

www.cambridgeenergyllc.com

ORIGINAL



February 24, 2012

Mr. John Anderson
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3E-042
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Rc: Cambridge Energy, LLC
FE Docket No. 12-18-LNG
LNG Application For Long-Term Authorization To Export Liquefied Natural Gas
To Free Trade Agreement Countries

Dear Mr. Anderson:

We hereby submit, on behalf of Cambridge Energy, LLC ("Cambridge"), one original and three copies of an application (the "Application") for long-term authorization to export up to a total of 500,000 metric tons (approximately 0.038 billion standard cubic feet) per year or domestically produced and previously imported liquefied natural gas ("LNG") over a twenty-five year period commencing the earlier of the date of first export or five years from the date the requested authorization is granted.

As reflected in the enclosed application, Cambridge is requesting that such long-term authorization permit it to export to any country located within Central America, South America, Asia-Pacific or the Caribbean, which has or in the future develops the capacity to import LNG via ocean-going carriers (either directly or by use of approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers) and with which the United States currently has, or in the future will have, a Free Trade Agreement.

Enclosed is a check in the amount of \$50.00, the applicable filing fee. Please acknowledge receipt of this Application by date-stamping the enclosed extra copy of this filing and returning it in the pre-addressed, postage-paid envelope included with this package.

Respectfully submitted,

Justin S. Mann
Corporate Counsel
Cambridge Energy, LLC
1051 Parkside Commons, Suite 102
Greensboro, GA 30642
jmann@cambridgeenergyllc.com

Enclosures

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CAMBRIDGE ENERGY, LLC

Docket No. 12-18-LNO7

APPLICATION OF
CAMBRIDGE ENERGY, LLC
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES

Communications regarding this application should be addressed to:

Sherman Bryant
Chief Executive Officer
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1051 Parkside Commons, Suite 102
Greensboro, GA 30642
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sbryant@cambridgeenergyllc.com

Justin S. Mann
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February 24, 2012

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CAMBRIDGE ENERGY, LLC

Docket No. 12-18-LNG

APPLICATION OF CAMBRIDGE ENERGY, LLC
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES

Pursuant to Section 3 of the Natural Gas Act¹ and Part 590 of the regulations of the Department of Energy ("DOE")/Fossil Energy ("FE"), Cambridge Energy, LLC ("Cambridge") submits this application ("Application") to the DOE Office of Fossil Energy ("DOE/FE") for long-term, multi-contract authorization to export up to a total of 500,000 metric tons per annum³ of liquefied natural gas ("LNG") for a 25-year period, commencing on the earlier of the date of first export or five years from the date the requested authorization is granted. Cambridge requests that such authorization allow it to export both previously imported and domestically sourced LNG to any country located within Central America, South America, Asia-Pacific, or the Caribbean, which has, or in the future develops, the capacity to import LNG via ocean-going carriers (either directly or by use of approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers), and with which the United States currently has, or

¹ 15 U.S.C. § 717b (2011).

² 10 C.F.R. § 590 (2011).

³ Approximately 0.038 billion standard cubic feet ("bscf") per year. This represents the maximum total of LNG that Cambridge expects to export in any year during the period of authorization to both FTA and non-FTA countries. Exports to FTA countries, which are the subject of this Application, are expected to represent approximately 25% of that total on a yearly basis. Initial exports during the early years of the authorization will be of a smaller volume, from approximately 0.001 bscf per year and upward.

in the future will have, a Free Trade Agreement ("FTA").⁴

Cambridge will be filing a separate application ("Non-FTA Application") with DOE/FE requesting long-term, multi-contract authorization to export LNG to any country located within South America, Central America, Asia-Pacific or the Caribbean with which the United States does not have an FTA requiring national treatment for trade in natural gas and LNG, which has developed or in the future will develop the capacity to import LNG via ocean-going carrier (either directly or by use of approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers), and with which trade is not prohibited by United States law or policy.

Inasmuch as applications such this one, which request export authorization to countries with which the United States has an FTA, are reviewed pursuant to the standards established by the Energy Policy Act of 1992, Cambridge understands that DOE/FE will perform a public interest analysis before it grants Cambridge's Non-FTA Application. Section 3(c) of the Natural Gas Act, as amended by § 201 of the Energy Policy Act of 1992, established a statutory presumption that exports to FTA countries must be authorized. Such exports are "deemed to be within the public interest," and applications for such exportation "shall be granted without modification or delay."⁵

In support of this Application, Cambridge respectfully states the following:

⁴ Within this region, the United States currently has free trade agreements requiring national treatment for trade in natural gas and LNG with Chile, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Peru, Colombia, and Panama. The FTA with Costa Rica does not require national treatment for trade in natural gas.

⁵ 15 U.S.C. § 717b(c) (2010). ("For purposes of [15 U.S.C. § 717b(a)] of this section, the importation of the natural gas referred to in [15 U.S.C. § 717b(b)] of this section, or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.").

I.

DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Cambridge Energy, LLC. Cambridge is a limited liability company organized under the laws of the State of Georgia. The principal place of business is located at 1051 Parkside Commons, Suite 102, Greensboro, GA 30642.

Cambridge Energy was previously granted authorization to export and import natural gas from and to Canada and Mexico via vessel and truck, respectively, and to import natural gas from various international sources by vessel.⁶ Cambridge is an integrated LNG solution focused on exporting LNG from the US to small island developing states. Cambridge seeks long-term power purchase agreements, terminal use agreements, and LNG sales purchasing agreements in order to displace diesel power generation systems. We have several years' experience in selling natural gas on the US pipeline.

II.

COMMUNICATIONS

Communications regarding this application should be directed to the following:

Sherman Bryant
Chief Executive Officer
Cambridge Energy, LLC
1051 Parkside Commons, Suite 102
Greensboro, GA 30642
(770) 315-9540
sbryant@cambridgeenergyllc.com

Justin S. Mann
Corporate Counsel
Cambridge Energy, LLC
1051 Parkside Commons, Suite 102
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jmann@cambridgeenergyllc.com

⁶ FE DOCKET NO. 11-88-NG, DOE/FE ORDER NO. 2991; July 25, 2011

III.

AUTHORIZATION REQUESTED

Cambridge requests long-term, multi-contract authorization to export up to a total of 500,000 metric tons per annum of previously imported or domestically produced LNG (equivalent to approximately 0.038 bscf of LNG per year) for a period of 25 years beginning the earlier of the date of first export, or the fifth anniversary of the date authorization is granted by DOE/FE. This amount is in addition to the prior authorization to export natural gas granted by DOE/FE to Cambridge in DOE/FE ORDER NO. 2991. Cambridge requests that such long-term authorization provide for export from the Atlantic southeast, Florida, and the Gulf Coast, including Texas, to any country located within South America, Central America, Asia-Pacific or the Caribbean that has, or in the future will have, the capacity to import LNG via ocean-going carrier (either directly or by use of approved ISO IM07/TVAC-ASME LNG containers transported on ocean-going carriers), and with which the United States currently has, or in the future will have, an FTA requiring the national treatment for trade in natural gas and LNG.

In the majority of cases, no facility modifications or additions will be required in order for Cambridge to export LNG from the United States.⁷ Cambridge will take delivery of LNG at the site of existing liquefaction facilities located throughout the southeastern United States, purchasing relatively small LNG quantities, and, in most cases, making use of excess LNG capacity, which is available for sale, as well as natural gas, which can be liquefied at liquefaction

⁷ If and to the extent the owners of liquefaction facilities from which Cambridge is taking delivery of LNG make minor modifications to those facilities to either accommodate the slight additional volume of LNG resulting from such deliveries or to account for the temperature requirements of LNG versus other liquefied petroleum products, those owners will obtain the necessary state, local, or federal permits before any such modifications or deliveries occur.

facilities. Cambridge will transport the LNG from the liquefaction facilities within the United States over both highways and via rail, and will transport LNG to buyers in South America, Central America, Asia-Pacific and the Caribbean, using either approved ISO JM07/TVAC-ASME LNG containers transported on ocean-going carriers or directly using ocean-going LNG carriers. Containers and carriers used for transportation within the United States will comply with all Association of American Railroads and United State Department of Transportation regulations, and the third parties with which Cambridge will be contracting to handle such transportation will comply with all hazardous material and cryogenic handling regulations and requirements, including employee training, in addition to obtaining any state permits required for transportation of LNG.

Cambridge will supply natural gas and purchase liquefaction services on both a spot basis and under long term purchase agreements from key service providers. Cambridge currently has price estimates for liquefaction services from several such providers, as well as a nondisclosure agreement to supply LNG to businesses in Guatemala, and will file all executed long-term contracts with the DOE/FE under seal, following their execution. DOE/FE has previously found that this commitment conforms to the requirements of 10 C.F.R. § 590.202(b), which calls upon applicants to supply transaction-specific information "to the extent practicable."⁸ Cambridge expects to begin exporting LNG purchased on a spot basis or under such long term agreements by the third quarter of 2012.

⁸ *Sabine Pass Liquefaction, LLC*, FE Docket No. 10-85-LNG, Order No. 2833 (Sept. 7, 2010). 10 C.F.R. 590.202(b) requests certain information, "to the extent applicable," and "supported to the extent practicable by necessary data or documents," regarding the source and security of the natural gas supply proposed for export, including contract volume and a description of the specific gas reserves supporting the project during the time of the requested export authorization; *see also, Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE Docket No. 10-160-LNG, Order No. 2913 (February 10, 2011).

As noted above, this application is submitted pursuant to the standard established by the Energy Policy Act of 1992, under which applications for export to FTA countries are deemed to be in the public interest, and must be granted without modification or delay.⁹ Cambridge's application is presumptively in the public interest, and the long-term authorization requested by Cambridge is also compatible with the principles established by DOE/FE's Policy Guidelines,¹⁰ which promote free and open trade by minimizing federal control and involvement in energy markets, and DOE Delegation Order No. 0204-111, which requires "consideration of the domestic need for the gas to be exported."

As DOE/FE recently has recognized, United States consumers currently have access to substantial quantities of natural gas, as a result of, among other things, technological advances that have allowed for development of previously undeveloped reserves of domestic shale gas.¹¹ The Annual Energy Outlook 2010, prepared by the U.S. Energy Information Administration ("EIA"), forecasted shale gas production to increase to 2.85 Tcf by 2015 and 6.0 Tcf by 2035, representing 5.3% annual growth from 2008-2035.¹² EIA's Annual Energy Outlook 2011 more than doubles its estimate of technically recoverable shale gas reserves,¹³ and doubles its projected shale gas production to 12.0 Tcf by 2035.¹⁴ Large volumes of domestic

⁹ 15 U.S.C. § 717b(c) (2010), *supra* note 5.

¹⁰ Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

¹¹ *Cheniere Marketing, LLC*, FE Docket No. 10-31-LNG, Order No. 2795 (June 1, 2010).

¹² U.S. ENERGY INFORMATION ADMINISTRATION, ANNUAL ENERGY OUTLOOK 2010 135, Table A-14 (2010), available at [http://www.eia.doe.gov/oiaf/aeo/pdf/0383\(2010\).pdf](http://www.eia.doe.gov/oiaf/aeo/pdf/0383(2010).pdf).

¹³ U.S. ENERGY INFORMATION ADMINISTRATION, ANNUAL ENERGY OUTLOOK 2011, Executive Summary (2011), available at [http://www.eia.gov/forecasts/aeo/pdf/0383\(2011\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2011).pdf)

¹⁴ *Id.* at Table 8.

shale gas reserves and its development and extraction, as well as continued low production costs, will enable the United States to develop significant quantities of natural gas and LNG, which will be able to meet domestic demand for decades to come, and, as a result, also will provide an over-capacity of natural gas and LNG that would be available for export. The decrease in natural gas prices from 2008 to 2010 provides evidence of such over-capacity.¹⁵

Cambridge will purchase the quantities of LNG it proposes to export - which quantities are relatively small when compared to those included in recent export applications received by the DOE/FE - primarily from utilities and other suppliers seeking to sell excess supply of LNG that cannot be marketed economically otherwise in the domestic market, due, in part, to the relatively low natural gas prices in this country. By allowing Cambridge to purchase this excess supply for export overseas, DOE/FE's approval of this Application will benefit these domestic companies, and support President Obama's National Export Initiative signed in 2010.¹⁶

IV.

ENVIRONMENTAL IMPACT

As stated above, in the majority of cases, no new facilities (or modifications to any existing facilities) would be required in order for Cambridge to export LNG. In the limited cases in which the owners of liquefaction facilities that sell and deliver LNG to Caribbean opt to

¹⁵

See, e.g., id. at Figure 39.

¹⁶

Exec. Order No. 13534, 75 Fed. Reg. 12433 (March 11, 2010).

¹⁷

42 U.S.C. § 4231, *et seq.*; Categorical Exclusion 85.7, 10 C.F.R. Part 1021, Subpart D, Appendix B.

make minor modifications to their facilities to either accommodate the slight additional volume resulting from such deliveries, or to account for the temperature requirements of LNG versus other liquefied petroleum products, those owners of liquefaction facilities will obtain the necessary government permits before any such modifications or deliveries occur. Approval of this Application therefore would not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy.¹⁷

V.

APPENDICES

The following exhibits are submitted as part of this Application:

Appendix A Verification

Appendix B Opinion of Counsel

VI.

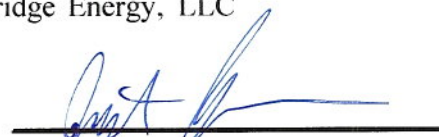
CONCLUSION

WHEREFORE, for the reasons set forth above, Cambridge respectfully requests that DOE/FE grant the long-term, multi-contract export authorization requested herein.

Dated: February 24, 2012

Respectfully submitted,
Cambridge Energy, LLC

By:



Justin S. Mann
Corporate Counsel for Cambridge

County of [Greene]

State of [Georgia]


CERTIFIED STATEMENT

I, Sherman Bryant, being duly sworn on his oath, do hereby affirm that I am CEO of Cambridge Energy, LLC; that I am familiar with the contents of this application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.



Sherman Bryant

Sworn to and subscribed before me, a Notary Public, in and for the State of [GA], this [23] day of [Feb], 2012.



Notary Public

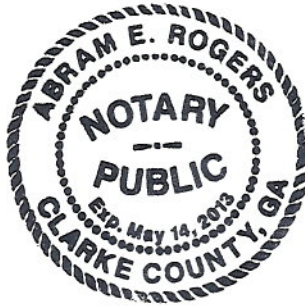


EXHIBIT A

Opinion of Counsel

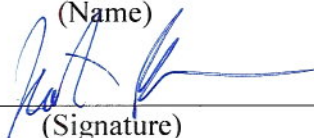
This opinion is submitted pursuant to 10 C.F.R. 590.202(c) of the Department of Energy administrative procedures. The undersigned is counsel to Cambridge Energy, LLC.
(Company)

I have reviewed the corporate documents and it is my opinion that the proposed export of natural gas is within the company's corporate powers.

Respectfully submitted.

Justin S. Mann

(Name)



(Signature)

Corporate Counsel

(Title)