

RECEIVED

By Docket Room at 7:51 am, Aug 23, 2021

Vinson&Elkins

John S. Decker jdecker@velaw.com
Tel +202.639.6599 Fax +202.879.8976

August 20, 2021

U.S. Department of Energy
Office of Fossil Energy
Office of Regulation, Analysis, and Engagement
1000 Independence Ave., S.W.
Washington, D.C. 20026-4375
Attention: Amy Sweeney, Director

Re: *American LNG Marketing, LLC*, DOE/FE Order No. 3690

Dear Ms. Sweeney,

Pursuant to DOE Order No. 3690, Ordering Paragraph F(ii), I am hereby submitting copies of certain executed long-term contracts associated with the long-term supply of natural gas to the Hialeah Facility.¹

In accordance with Ordering Paragraph F(ii), this transmittal contains:

- (A) an unredacted copy of (i) a Base Contract for the Sale and Purchase of Natural Gas, dated June 15, 2015, between Peninsula Energy Services Company, Inc. (“PESCO”) and LNG Holdings (Florida) LLC (“LNG Holdings,” an affiliate of American LNG Marketing, LLC, “American LNG”); (ii) a transaction confirmation by and between the same, dated June 15, 2015; and (iii) a transaction confirmation between Gas South, LLC (“Gas South”)² and LNG Holdings (collectively, the “Contracts”).
- (B) a summary of the major provisions of the Contracts (attached as Exhibit B hereto).

The unredacted Contracts, attached hereto as Exhibit A, contain highly sensitive and confidential commercial, financial, and proprietary information and are being filed with DOE under seal on a confidential basis and not for public disclosure, as authorized by Order No. 3690. American LNG submits that the Contracts meet the six criteria set forth in 10 C.F.R. 1004.11(f) of the DOE regulations for determining whether information is exempt from mandatory disclosure pursuant to the Administrative Procedure act, 5 U.S.C. 552(b)(4):

¹ *American LNG Marketing LLC*, DOE/FE Order No. 3690 (Aug. 7, 2015).

² The Base Contract and June 15 transaction confirmation were assigned from PESCO to Gas South, as described in the attached summary.

(1) The Contracts have been held in confidence by American LNG and Gas South, and the Contracts contain a confidentiality provision.

(2) The Contracts contain information of a type that is customarily held in confidence by the parties, and there is a reasonable basis to keep sensitive commercial terms, including but not limited to pricing terms, confidential to avoid competitive harm.

(3) American LNG is submitting the Contracts to DOE/FE under seal, with a request to keep the Contracts confidential.

(4) The Contracts are not publicly available.

(5) Public disclosure of the Contracts by DOE/FE is likely to cause other export license holders or registrants to be reluctant to submit unredacted copies of their gas supply agreements to DOE/FE; thus, public disclosure could impair DOE/FE's ability to obtain similar information from others in the future; and

(6) Disclosure of the unredacted Contracts is likely to cause substantial harm to the competitive positions of American LNG and Gas South.

For the foregoing reasons, American LNG respectfully requests that the non-redacted copy of the Contracts be kept confidential by DOE/FE. The Contracts contain pricing and other competitively sensitive commercial information that is exempt from disclosure under the Administrative Procedure Act, 5 U.S.C. 552(b)(4), and under the DOE regulations, 10 C.F.R. 590.202(e) and 10 C.F.R. 1004.11.

Please contact me if you have any questions.

Respectfully Submitted,

/s/ John S. Decker

John S. Decker

Attorney for American LNG Marketing LLC

Attachments

EXHIBIT A

UNREDACTED, NON-PUBLIC COPY

FILED UNDER SEAL

CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION

DO NOT RELEASE

EXHIBIT B

SUMMARY OF MAJOR PROVISIONS

**NATURAL GAS PURCHASE AND SALE AGREEMENT BY AND BETWEEN
NEW FORTRESS ENERGY MARKETING LLC AND GAS SOUTH, LLC**

1. DOE Order/FE Docket No(s):

DOE Order No. 3690

FE Docket No. 14-209-LNG

2. LNG Liquefaction/Export Facility and Location:

The Hialeah Facility is a micro-LNG facility located on the northern portion of Hialeah Railyard in Medley, Florida.

3. Describe affiliation with LNG Liquefaction Export Facility (*e.g.*, owner, capacity holder, etc.):

Gas South, LLC has entered into a NAESB Contract for the Sale and Purchase of Natural Gas with New Fortress Energy Marketing LLC, which is an affiliate of American LNG Marketing LLC.³

4. Exact Legal Name of Parties/Counterparties to Contracts:

Supplier/Seller: Gas South, LLC

Counterparty/Buyer: New Fortress Energy Marketing LLC

5. **5a. Contract Types (e.g. Purchase and Sale Agreement, Liquefaction Tolling Agreement, etc.):**

Natural gas purchase and sale agreement.

5b. Firm or Interruptible Contracts:

Interruptible

6. Date of the Contracts:

- Base Contract: June 15, 2015
- Confirmation No. 1: February 22, 2019
- Confirmation No. 2: December 31, 2020⁴

³ Gas South, LLC assumed this contract previously entered into by Peninsula Energy Services Company, Inc., by means of an Asset Purchase Agreement dated September 13, 2019. New Fortress Energy Marketing LLC assumed the same contract from LNG Holdings (Florida) LLC, by means of an Assignment and Assumption Agreement dated March 21, 2019.

⁴ The December 31, 2020 transaction confirmation references a Base Contract dated May 29, 2015; however, the correct date is June 15, 2015.

7. Contract Term:

- Confirmation No. 1: March 1, 2019, through November 30, 2025; provided that (i) Buyer may terminate at any time with 30 days' prior notice, subject to certain early termination payment terms; and (ii) Supplier may terminate with 330 days' prior notice, however, such early termination may not occur earlier than December 31, 2021, and Supplier's early termination rights may only be triggered if certain conditions are established.
- Confirmation No. 2: January 1, 2021, through December 31, 2022; provided that Buyer may terminate at any time with 30 days' prior notice.

8. Annual Quantity:

- Confirmation No. 1: The contract contemplates the purchase and sale of up to 1,825,000 MMBtus of natural gas per year.
- Confirmation No. 2: The contract contemplates the purchase and sale of up to 1,095,000 MMBtus of natural gas per year.

9. Take or Pay (or equivalent) Provisions/Conditions (please describe):

- Confirmation No. 1: The contract contemplates a minimum obligation of 1,825,000 MMBtus of natural gas.
- Confirmation No. 2: n/a. This contract does not include a take or pay provision or its equivalent.

10. Legal Name of Entity(ies) that has(have) Title to the Natural Gas and LNG through the LNG Facility until Export (at the Flange of the Vessel):

New Fortress Energy Marketing LLC

11. Export Destination Restrictions in the Contracts:

n/a. This is not an export contract.

12. Resale Provisions:

n/a. This is not an export contract.

13. Other Major Non-proprietary Provisions, if Applicable:

- Confirmation No. 1:
 - Section 1: The primary Delivery Point will be the interconnect with the Miami LNG facility located on Florida Gas Transmission. Subject to certain specifications, other delivery points may be requested by Buyer.

- Section 3.2: Subject to certain adjustments and rights of Buyer and Seller, the commodity price shall be either an agreed upon fixed forward price or based on the Platts Insider FERC FGT Zone 3 index price.
- Confirmation No. 2:
 - Section 2.2: Subject to certain adjustments and rights of Buyer and Seller, the commodity price shall be based on either the Platts Insider FERC FGT Zone 3 index price or the Platts Florida Zone 3 Gas Daily Average.