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Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
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Re: Errata 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., FE Docket No. 14-179-LNG (the "Application")

Dear Mr. Anderson:

On October 24, 2014, Pieridae Energy (USA) Ltd. ("Pieridae US") submitted the above-referenced Application with the Department of Energy, Office of Fossil Energy.

Upon further review, the conversion factor used (in footnote 114 appearing on page 50 of the Application) to calculate the revenues US gas suppliers and pipeline companies would receive for supplying Pieridae US with 292 Bcf/yr of natural gas for 20 years if the total price paid for gas and transportation were just \$3.00/MMBtu is incorrect. The conversion factor should read "1,037 Btu/cf" instead of "1,037 MMBtu/cf". Making this correction requires a corresponding adjustment to the estimated revenues that US gas suppliers and pipeline companies would receive on page 50, but does not affect any other aspect of the Application.

Please find enclosed, for inclusion in the record, a substitute page 50 that corrects the conversion factor in footnote 114 and the resulting calculation, as well as the dollar figure appearing in the body of the text.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Erik J.A. Swenson

Erik J.A. Swenson

EJAS

Enclosure

Moreover, the dollars paid for US natural gas and gas transportation in the US will dwarf the construction and operating costs of the Goldboro LNG Project. If the total price paid for gas and transportation were just \$3.00/MMBtu (an extremely conservative estimate), then US gas suppliers and pipeline companies would receive a total of \$18,168,240,000.00 in revenues for supplying Pieridae US with 292 Bcf/yr of natural gas for 20 years.¹¹⁴ These revenues are not simply payments for the value of gas in the ground. Instead, they are largely related to the cost of infrastructure and workers (labor in the form of increased employment) to produce and move the gas to the Canadian border. As a recent study indicates, there could be as many as eight times more exploration production, transportation and supply chain jobs created upstream of the Goldboro LNG Project than would be required to construct the project itself.¹¹⁵

This same study estimates the benefits from 6 Bcf/d of exports through US LNG export terminals at \$2.7 to \$3.2 billion per year, stating: “The gains from selling gas overseas rather than at home would be approximately \$700 million to \$1 billion; the gains from new gas production would be roughly \$2.3 billion to \$2.8 billion; and the losses from lower domestic consumption would be approximately \$300 million to \$500 million.”¹¹⁶ Conservatively, adjusting these estimates to account for locating the natural gas liquefaction and LNG export facilities in Canada, rather than the US, by eliminating the gains from selling overseas altogether (thereby entirely discounting the likelihood that at least a portion of those gains would flow to

¹¹⁴ 292 Bcf/yr * 20 yr = 5.84E+12 cf; 5.84E+12 cf * 1,037 Btu/cf = 6.05608E+9 MMBtu; and 6.05608E+9 MMBtu * \$3.00/MMBtu = \$18,168,240,000.00.

¹¹⁵ Michael Levi, *A Strategy for U.S. Natural Gas Exports*, THE HAMILTON PROJECT 6 (June 2012), http://www.hamiltonproject.org/files/downloads_and_links/06_exports_levi.pdf (hereinafter “*Hamilton Project Study*”). Similarly, according to the *NERA Update*, a study by Cheniere estimates “directed, indirect, and induced jobs associated with the development of shale gas in particular and oil and gas sector in general” at “30,000 to 50,000 jobs per 2 Bcf/d of additional natural gas production”. *NERA Update*, *supra* note 55, at 115 n.78. In contrast, the *NERA Update* characterizes other studies as concluding that construction of 1 Bcf/d of capacity will provide between 2,500 and 4,000 job-years of direct employment over the 48-month construction period. *Id.*

¹¹⁶ *Hamilton Project Study*, *supra* note 115, at 14.

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 Houston, Texas this 10th day of April, 2015.

/s/ Islara U. Rodriguez

Islara U. Rodriguez

Attorney for Pieridae Energy (USA) Ltd.