April 26, 2019

Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Fossil Energy, FE-34
1000 Independence Ave., SW
Washington, DC 20585

Re: Annova LNG Common Infrastructure, LLC
FE Docket Nos. 13-140-LNG & 19-34-LNG
Notice of Ownership Change

Dear Ms. Sweeney:

Pursuant to section 3 of the Natural Gas Act ("NGA"),\(^1\) section 590.405 of the United States Department of Energy’s ("DOE") regulations,\(^2\) and the DOE Office of Fossil Energy’s ("DOE/FE") Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas ("CIC Procedures"),\(^3\) Annova LNG Common Infrastructure, LLC ("ACI") respectfully submits this Notice of Ownership Change to notify DOE/FE of a recent change in upstream ownership of ACI.

**Background**

On February 20, 2014, DOE/FE issued DOE/FE Order No. 3394 in FE Docket No. 13-140-LNG, which granted Annova LNG, LLC long-term, multi-contract authorization to export liquefied natural gas ("LNG") to any country with which the United States currently has, or in the future will have, a Free Trade Agreement ("FTA") requiring the national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (the "FTA Authorization").\(^4\) Subsequently, in DOE/FE Order No. 3464, DOE/FE approved a change in control through which Annova LNG, LLC transferred the FTA Authorization to ACI.\(^5\) In that transaction, (i) Annova LNG, LLC was converted to a Delaware series limited liability company with membership interests issued in four series companies, and (ii) ACI became a direct, wholly owned subsidiary of Series Z of Annova LNG, LLC, one of those four series companies.

\(^2\) 10 C.F.R. § 590.405 (2019).
\(^3\) 79 Fed. Reg. 65541 (Nov. 5, 2014).
\(^5\) Annova LNG Common Infrastructure, LLC, DOE/FE Order No. 3464, FE Docket Nos. 14-004-CIC & 13-140-LNG, Order Approving Change in Control to Annova LNG Common Infrastructure, LLC of Authorization Allowing Exports of Liquefied Natural Gas to Free Trade Agreement Nations (July 17, 2014)
On November 16, 2018, as supplemented, ACI notified DOE/FE of an October 19, 2018 transaction that, among other things, resulted in the ownership of Series Z of Annova LNG, LLC being: (i) Exelon Generation Company, LLC, an indirect, wholly owned subsidiary of Exelon Corporation ("Exelon"), holding a 90% membership interest; (ii) BV US LNG, LLC, a wholly owned subsidiary of Black & Veatch Corporation ("Black & Veatch"), holding a 5% membership interest; and (iii) Kiewit Energy Group Inc., a wholly owned subsidiary of Kiewit Corporation ("Kiewit"), holding a 5% membership interest.6

On February 26, 2019, ACI filed an application requesting long-term, multi-contract authorization to export domestically produced LNG to any nation with which the United States does not have an FTA requiring the national treatment for trade in natural gas, which has or will develop the capacity to import LNG, and with which trade is not prohibited by U.S. law or policy (the "Non-FTA Application").7 The Non-FTA Application is pending before DOE/FE in FE Docket No. 19-34-LNG.

Description of Ownership Change

On March 29, 2019, Enbridge Holdings (USGC) LLC, an indirect, wholly owned subsidiary of Enbridge Inc. ("Enbridge"), entered into a transaction with Exelon, Black & Veatch, Kiewit, Annova LNG, LLC, and each of its four series companies (the "Transaction") that, among other things, resulted in the ownership of Series Z of Annova LNG, LLC being: (i) Exelon holding a 80.55% membership interest; (ii) Black & Veatch holding a 4.475% membership interest; (iii) Kiewit holding a 4.475% membership interest; and (iv) Enbridge holding a 10.5% membership interest. As stated above, ACI is a direct, wholly owned subsidiary of Series Z of Annova LNG, LLC. Therefore, the Transaction resulted in an upstream change in ownership of ACI.

Discussion

Section 590.405 of DOE’s regulations requires approval from the Assistant Secretary before an authorization to import or export natural gas may be transferred or assigned.8 In applying this provision, DOE/FE has explained that a “change in control” of the authorization holder may occur through asset sale, stock transfer, or by other means.9 DOE defines a “change in control” as:

a change, directly or indirectly, of the power to direct the management or policies of an entity whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors,
officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.  

A rebuttable presumption of control arises from the ownership of or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.  

ACI is making this submission in FE Docket Nos. 13-140-LNG and 19-34-LNG pursuant to the CIC Procedures applying to FTA authorizations and pending non-FTA applications. Under the CIC Procedures, the holder of an FTA authorization may submit a statement of a change in ownership or control to DOE/FE no later than 30 days after the change in ownership or control occurs. Upon receipt of the statement, DOE/FE will give immediate effect to the change in ownership or control and take no further action. With respect to a pending Non-FTA application, an applicant may amend its application to reflect a change in ownership or control by submitting a notice of such amendment to DOE/FE and serving the notice on the parties in the proceeding. DOE/FE will give immediate effect to the amendment. DOE/FE will take no further action and the amendment will continue to be given effect unless opponents of the application demonstrate, or DOE/FE makes an independent determination, that the change renders the application inconsistent with the public interest. 

The Transaction has no effect on DOE/FE's public interest analysis of the Non-FTA Application. The Transaction does not result in any changes to the scope of the project, the volumes of gas, date of commencement or completion, source and security of gas supply, price and other transaction terms, need for the supply, or any other aspects of the Project. The Transaction does not change the operation and maintenance of the Project or the proposed authorization holder. Because there will be no substantive changes to the authorization requested in the Non-FTA Application, the Transaction has no effect on DOE/FE’s public interest analysis. Therefore, ACI respectfully requests that DOE/FE give immediate effect to the change in ownership and, if necessary, make a finding that such change not render the Non-FTA Application inconsistent with the public interest.

Respectfully submitted,

Annova LNG Common Infrastructure, LLC

By: Bryan S. Wright
Name: Bryan S. Wright
Title: Senior Vice President

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10 Id.
11 Id.
12 CIC Procedures at 65542.
13 Id.
14 Id.