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Department of Energy
Washington, DC 20585

July 20, 2018

Elizabeth Spomer
President and CEO
Jordan Cove Energy Project L.P.
5615 Kirby, Suite 500
Houston, Texas 77005

RE: Notice of Change in Control
Jordan Cove Energy Project L.P.
FE Docket Nos. 11-127-LNG and 12-32-LNG

Dear Ms. Spomer:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to the change in corporate control described in the application (Application) filed on February 6, 2018, by Jordan Cove Energy Project L.P. (JCEP).¹ In the Application, you provide information regarding a change in control involving JCEP, in light of DOE/FE's Change in Control Procedures.² Although JCEP's Application contain various other requests, this letter pertains only to JCEP's notice of change in control, as described below.

I. BACKGROUND

JCEP currently holds two authorizations from DOE/FE:

First, in DOE/FE Order No. 3041 (FE Docket No. 11-127-LNG),³ JCEP has a long-term, multi-contract authorization to export liquefied natural gas (LNG) to countries with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries).⁴

¹ See Jordan Cove Energy Project L.P., Application to Amend Long-Term Authorizations to Export Liquefied Natural Gas to Free Trade Agreement Countries and Non-Free Trade Agreement Countries and Amendment to Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, FE Docket Nos. 11-127-LNG and 12-32-LNG (Feb. 6, 2018) [hereinafter App.].

² See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter DOE/FE Change in Control or CIC Procedures].

³ *Jordan Cove Energy Project L.P.*, DOE/FE Order No. 3041, FE Docket No. 11-127-LNG, Order Granting Long-Term, Multi-Contract Authorization To Export Liquefied Natural Gas By Vessel From the Jordan Cove LNG Terminal to Free Trade Agreement Nations (Dec. 7, 2011).

⁴ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan,

Second, in DOE/FE Order No. 3413 (FE Docket No. 12-32-LNG), JCEP has a conditional long-term, multi-contract authorization to export LNG to non-FTA countries.⁵ JCEP's application for a final non-FTA authorization is pending in FE Docket No. 12-32-LNG.

II. DESCRIPTION OF CHANGE IN CORPORATE OWNERSHIP

In relevant part, JCEP's Application informs DOE/FE of a change in the corporate ownership of JCEP's parent entity, Veresen Inc.⁶ Specifically, JCEP states that, on October 2, 2017, Pembina Pipeline Corporation (Pembina), a publicly traded Canadian corporation, acquired 100 percent of the outstanding shares of Veresen Inc. JCEP states that, following this transaction, JCEP is now a wholly owned subsidiary of Pembina.⁷

III. DISCUSSION AND CONCLUSIONS

DOE/FE construes a change in control to mean 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.⁸ A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.⁹

A. FTA Authorization in FE Docket No. 11-127-LNG

DOE/FE's CIC Procedures provide that, upon receipt of a statement of change in control relating to existing FTA long-term natural gas export authorizations, DOE will give immediate effect to the change in control and will take no further action.¹⁰ Accordingly, the change in control described above has taken effect insofar as it relates to JCEP's FTA authorization, DOE/FE Order No. 3041. No further action is required.

Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

⁵ 15 U.S.C. § 717b(a). See *Jordan Cove Energy Project L.P.*, DOE/FE Order No. 3413, FE Docket No. 12-32-LNG, Order Conditionally Granting Long-Term, Multi-Contract Authorization To Export Liquefied Natural Gas By Vessel From the Jordan Cove LNG Terminal in Coos Bay, Oregon, to Non-Free Trade Agreement Nations (Mar. 24, 2014).

⁶ See JCEP App. at 4-5.

⁷ See *id.* at 5.

⁸ See DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

⁹ See *id.*

¹⁰ See *id.*

B. Pending Non-FTA Application in FE Docket No. 12-32-LNG

As stated above, JCEP currently has a non-FTA application pending in FE Docket No.12-32-LNG. The CIC Procedures state that, with respect to “pending non-FTA export applications, *i.e.*, proceedings in which DOE has not yet issued a final order,” applicants may amend their applications to reflect a change in control by submitting notice of the amendment to DOE and serving that notice on other parties in the proceeding.¹¹

Under the CIC Procedures, DOE will give immediate effect to the amendment, but it will accept and consider answers to the notice of amendment received within 15 days of service of the applicant’s pleading.¹² DOE will address the issues raised in any answers to the amendment in its final order on the pending application.¹³

In this proceeding, JCEP complied with the service requirements of the CIC Procedures when it served its Application on the service list for FE Docket No. 12-32-LNG. The change in control applicable to JCEP’s pending non-FTA application thus took effect immediately. More than 15 days have passed since JCEP served the Application, and DOE/FE has not received any answers in opposition to the change in control.¹⁴ Accordingly, the change in control as to JCEP’s pending non-FTA application continues in effect. No further action is required.

Sincerely,

Amy R. Sweeney
Director, Division of Natural Gas Regulation

¹¹ *Id.* Because JCEP’s conditional non-FTA authorization is not final, the change in control is subject to the portion of the CIC procedures governing non-FTA export applications.

¹² *See id.*

¹³ *See id.*

¹⁴ DOE received numerous comments and/or protests opposing other aspects of JCEP’s Application, but none in opposition to JCEP’s change in control. *See* FE Docket No. 12-32-LNG, *available at*: https://fossil.energy.gov/ng_regulation/applications-2012-jordancoveenergyproject12-32-lng.