



**Department of Energy**  
Washington, DC 20585

November 30, 2017

BY EMAIL

John S. Decker  
Vinson & Elkins  
2200 Pennsylvania Avenue, NW  
Suite 500 West  
Washington, DC 20037-1701

**RE: Notice of Change in Control**  
MPEH LLC  
FE Docket No. 13-26-LNG

Dear Mr. Decker:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to your letters filed on behalf of Freeport-McMoRan Energy LLC (FME) on September 29, 2016,<sup>1</sup> and on behalf of MPEH LLC on November 15, 2016,<sup>2</sup> in the above-referenced proceeding. In these letters, you describe a change in control of FME, as discussed below.

**I. BACKGROUND**

On February 22, 2013, FME filed an Application<sup>3</sup> in FE Docket No. 13-26-LNG seeking long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG) in a volume equivalent to 1,176 billion cubic feet per year (Bcf/yr) of natural gas from the proposed Main Pass Energy Hub™ Deepwater Port (MPEH™ Port), to be located in federal waters in Main Pass Block 299, 16 miles offshore of Louisiana. FME requested authorization to export this LNG by vessel to: (i) any country 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)<sup>4</sup>; and (ii) any other country with

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<sup>1</sup> Letter from John S. Decker, Attorney for Freeport-McMoRan Energy LLC, to John Anderson, DOE/FE, FE Docket No. 13-26-LNG (Sept. 29, 2016) [hereinafter Sept. 2016 Ltr.].

<sup>2</sup> Letter from John S. Decker, Attorney for MPEH LLC, to John Anderson, DOE/FE, FE Docket No. 13-26-LNG (Nov. 15, 2016) [hereinafter Nov. 2016 Ltr.].

<sup>3</sup> Freeport McMoRan Energy, LLC, Application for Long-Term Authorization to Export Liquefied Natural Gas, FE Docket No. 13-26-LNG (Feb. 22, 2013).

<sup>4</sup> 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, 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.

which trade is not prohibited by U.S. law or policy (non-FTA countries). FME requested both the FTA and non-FTA export authorizations for a 30-year term, to commence on the earlier of the date of first export or 10 years from the date each requested authorization is granted.

On May 24, 2013, in DOE/FE Order No. 3290, DOE/FE granted FME's request for authorization to export to FTA countries.<sup>5</sup> The portion of the Application requesting authorization to export to non-FTA countries is currently pending before DOE/FE.

## **II. DESCRIPTION OF REQUESTS**

### **A. September 29, 2016 Letter**

On September 29, 2016, FME filed a notice of change in control in the above-referenced docket. Through this notice, FME states that it is: (i) amending the FTA authorization issued in DOE/FE Order No. 3290, and (ii) requesting approval of an amendment to the pending portion of the Application for non-FTA authorization.

Specifically, FME states that, on September 16, 2016, it assigned assets related to the development of the MPEH™ Port (including permits and applications) to its wholly-owned subsidiary, MPEH LLC (the Assignment). FME states that, as a result of the Assignment, MPEH LLC became the authorization holder of the FTA authorization issued in DOE/FE Order No. 3290, as well as the applicant in the still-pending request for non-FTA authorization. MPEH LLC is a Delaware limited liability company with its principal place of business in New Orleans, Louisiana.<sup>6</sup>

### **B. November 15, 2016 Letter**

On November 15, 2016, MPEH LLC filed a notice of change in control in the above-referenced docket. In this notice, MPEH LLC states that, on or about November 16, 2016, FME will sell all of the equity interests of MPEH LLC to Main Pass LMC AS (MPL) (the Transfer). MPL is an indirect, wholly-owned subsidiary of Global LNG Services AS (GLS). GLS is a Norwegian corporation with its principal place of business in Norway.

MPEH LLC states that, following the Transfer, FME will retain an economic interest in MPEH LLC but not an equity interest. MPEH LLC will remain a Delaware limited liability company with its principal place of business in New Orleans, Louisiana.

MPEH LLC states that, in light of this Transfer, MPEH LLC is: (i) further amending the FTA authorization issued in DOE/FE Order No. 3290, and (ii) further requesting approval of an amendment to the pending portion of the Application for non-FTA authorization—in each case to reflect the result of the Transfer.<sup>7</sup>

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<sup>5</sup>*Freeport-McMoRan Energy LLC*, DOE/FE Order No. 3290, FE Docket No. 13-26-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Main Pass Energy Hub™ Deepwater Port 16 Miles Offshore of Louisiana to Free Trade Agreement Nations (May 24, 2013).

<sup>6</sup> See Sept. 2016 Ltr. at 2.

<sup>7</sup> See Nov. 2016 Ltr. at 2.

### C. September 27, 2017 Email

On September 27, 2017, MPEH submitted an email to DOE/FE confirming that the Transfer of the equity interests of MPEH LLC to MPL closed on November 16, 2016, as planned.<sup>8</sup>

### III. DISCUSSION AND CONCLUSIONS

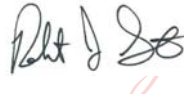
DOE/FE's Procedures for Changes in Control provide that, upon receipt of a statement of change in control relating to existing FTA export authorizations, DOE will give immediate effect to the change in control and will take no further action.<sup>9</sup> Accordingly, the above-described changes in control have taken effect insofar as they relate to DOE/FE Order No. 3290 (FE Docket No. 13-26-LNG).

Regarding the pending non-FTA portion of the Application, the CIC Procedures state that applicants may amend a pending non-FTA export application to reflect a change in control, but must serve notice of the change in control on other parties to the proceeding, as provided in 10 C.F.R. § 590.107. While other parties are provided fifteen (15) days following service to submit answers in opposition to the proposed amendment, the CIC procedures state that the proposed amendment takes effect immediately.

FME and MPEH LLC complied with the service requirements of the CIC Procedures when they served the September 29, 2016 and November 15, 2016 notices, respectively, on the service list for this proceeding. The amendments to the non-FTA portion of the Application thus took effect immediately. Moreover, more than 15 days have passed since FME and MPEH LLC served their respective notices on other parties to this proceeding, but DOE/FE has not received any answers in opposition to the amendment. Thus, the amendments are unopposed and in effect.

MPEH LLC is now the authorization holder of the FTA authorization issued in DOE/FE Order No. 3290, as well as the applicant in the still-pending request for non-FTA authorization. No further action is required.

Sincerely,

 Digitally signed  
by Robert J. Smith  
Date: 2017.11.30  
11:42:54 -05'00'

Robert J. Smith  
Acting Deputy Assistant Secretary  
Office of Oil and Natural Gas  
Office of Fossil Energy

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<sup>8</sup> Email from John Decker, Attorney for MPEH LLC, to DOE/FE, FE Docket No. 13-26-LNG (Sept. 27, 2017).

<sup>9</sup> 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, 65,542 (Nov. 5, 2014) (CIC Procedures).