



**Department of Energy**  
Washington, DC 20585

July 26, 2016

John S. Decker  
Vinson & Elkins  
2200 Pennsylvania Ave. NW, Suite 500 West  
Washington, D.C. 20037-1701

**RE: Notice of Change in Control**

Lake Charles Exports, LLC, FE Docket No. 11-59-LNG  
BG LNG Services, LLC, FE Docket No. 03-76-LNG  
BG LNG Services, LLC, FE Docket No. 04-39-LNG  
BG LNG Services, LLC, FE Docket No. 05-114-LNG  
BG LNG Services, LLC, FE Docket No. 06-03-LNG  
BG LNG Services, LLC, FE Docket No. 06-04-LNG  
BG LNG Services, LLC, FE Docket No. 06-08-LNG  
BG LNG Services, LLC, FE Docket No. 08-64-LNG

Dear Mr. Decker:

This correspondence constitutes the response of the Office of Fossil Energy (FE) of the Department of Energy (DOE) to the statement of change in control (Statement) contained in your letter dated February 17, 2016, jointly filed by Lake Charles Exports, LLC ("LCE") and BG LNG Services, LLC ("BGLS") in reference to the proceedings listed above. A copy of the letter has been posted to each of the listed proceedings and the letter indicates that LCE/BGLS served the letter on the parties to DOE/FE Docket No. 11-59-LNG, the only one of the listed proceedings in which an application for natural gas import or export authority was pending at the time that the letter was submitted. DOE/FE received no responses to the Statement.



## **I. SUMMARY OF CHANGE IN CONTROL**

The Statement was submitted pursuant to DOE/FE's Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas (CIC Revised Procedures).<sup>1</sup> The Statement reported that on February 15, 2016, Royal Dutch Shell plc ("Shell") acquired all of the share capital of BG Group plc (BG). According to the Statement, prior to this transaction (the Transaction), LCE had been owned by subsidiaries of BG and Energy Transfer Equity, L.P. ("ETE") and BGLS had been an indirect wholly-owned subsidiary of BG. The Statement further indicated that, as a result of the Transaction, LCE was now owned by subsidiaries of Shell and ETE and BGLS was an indirect wholly-owned subsidiary of Shell.

## **II. BACKGROUND**

**LCE.** As to LCE, the Statement contains a request to amend DOE/FE Order No. 2987,<sup>2</sup> a long-term authorization issued July 22, 2011 to export liquefied natural gas (LNG) to countries with which the United States has entered into a free trade agreement providing for national treatment for trade in natural gas (FTA countries). The Statement also contains a request to amend the pending portion of an application in Docket No. 11-59-LNG for final authority to export LNG to other countries (non-FTA countries). On August 7, 2013, DOE issued DOE/FE

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<sup>1</sup> 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. 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. *See, e.g.*, U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,641, 65,542 (Nov. 5, 2014) (applying 10 C.F.R. § 590.405) [hereinafter CIC Revised Procedures].

<sup>2</sup> *Lake Charles Exports, LLC*, DOE/FE Order No. 2987, FE Docket No. 11-59-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas by Vessel from the Lake Charles Terminal to Free Trade Agreement Nations (July 22, 2011)

Order No. 3324,<sup>3</sup> conditionally granting the request for non-FTA export authority in Docket No. 11-59-LNG. The Statement indicates that, notwithstanding the change in control, LCE will remain the holder of the FTA authorization and the applicant in the non-FTA proceeding.

**BGLS.** With regard to BGLS, the Statement represents notification of the amendment of several previously issued long-term non-FTA LNG import authorizations, including the following:

<b>Docket No.</b>	<b>Order No.</b>	<b>Expiration Date</b>
03-76-LNG	1932	7/1/2025
04-39-LNG	1977	3/31/2021
05-114-LNG	2199	1/1/2026
06-03-LNG	2285	4/4/2026
06-04-LNG	2286	4/4/2026
06-08-LNG	2288	4/4/2023
08-64-LNG	2527	8/31/2027

The Statement indicates that BGLS will remain the holder of the listed import authorizations.

### **III. DISCUSSION AND CONCLUSIONS**

#### **A. FTA Export Authorization**

The CIC Revised Procedures provide that upon receipt of a statement of change in control relating to previously issued long-term FTA export authorizations, DOE will give immediate effect to the change in control and will take no further action. The amendment relating to the FTA authorization in Order No. 2987, as described in the Statement, accordingly has taken effect and no further action is required in relation to that amendment.

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<sup>3</sup> *Lake Charles Exports, LLC*, DOE/FE Order No. 3324, FE Docket No. 11-59-LNG, Order Conditionally Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Lake Charles Terminal to Non-Free Trade Agreement Nations (Aug. 7, 2013).

**B. Pending Non-FTA Export Application**

The CIC Revised Procedures state that applicants may amend pending non-FTA export applications 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 CF.R. § 590.107. Under the Procedures, DOE will give immediate effect to the amendment and will address any issues raised in the answers from other parties in its final order on the application. As noted above, LCE appears to have complied with the service requirements of the Revised Procedures in relation to the amendment of the pending application in Docket No. 11-59-LNG. The amendment has thus taken effect. Moreover, since no parties to Docket No. 11-59-LNG responded to the Statement, no further action is required in relation to the amendment.

**C. Non-FTA Import Authorizations**

The CIC Revised Procedures state that, with respect to existing non-FTA import authorizations, DOE will give effect to a change in control following notification of the change and will take no further action. The above-listed import authorizations issued to BGLS, therefore, have taken effect and no further action is required.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Anderson".

John A. Anderson  
Director, Office of Regulation and International Engagement  
Office of Oil and Natural Gas  
Office of Fossil Energy