



**Department of Energy**  
Washington, DC 20585

November 23, 2016

BY EMAIL

Erik J.A. Swenson  
Norton Rose Fulbright US LLP  
799 9th Street NW Suite 1000  
Washington, DC 20001-4501

**RE: Notice of Change in Control**

Pieridae Energy (USA) Ltd., FE Docket No. 14-179-LNG

Dear Mr. Swenson:

This correspondence constitutes the response of the Office of Fossil Energy (FE) of the Department of Energy (DOE) to your letter dated December 18, 2015, in reference to the proceeding listed above, which has been posted to the docket listed . A copy of this letter will also be posted to the docket listed and served on the parties to that proceeding.

**I. SUMMARY OF CHANGE IN CONTROL**

On December 18, 2015, Pieridae Energy (USA) Ltd. (Pieridae US) filed with DOE/FE a statement of updated equity ownership interests (Statement). The Statement was intended to inform DOE/FE about a change in control of the upstream ownership of Pieridae US. Specifically, the Statement indicates that (1) Orlen Upstream Canada Ltd. is a Canadian corporation wholly owned by PKN Orlen S.A., a corporation listed on the Warsaw Stock Exchange; (2) on December 1, 2015, Orlen Upstream Canada Ltd. acquired all of the issued and outstanding shares of Kicking Horse Energy Inc. (Kicking Horse); (3) Kicking Horse controls



CEX Atlantic Holdings Ltd. (CEX Atlantic); (4) CEX Atlantic in turn owns 10.77 percent of the issued and outstanding shares of Pieridae Energy Limited (Pieridae); and (5) Pieridae US, the applicant in this proceeding, is wholly owned by Pieridae. As of December 1, 2015, therefore, Orlen S.A. acquired indirect ownership of 10.77 percent of the issued and outstanding shares of Pieridae.

## **II. BACKGROUND**

On May 22, 2015, DOE/FE issued Order No. 3639 in DOE/FE Docket No. 14-179-LNG, authorizing Pieridae US to export natural gas to Canada and to other countries with which the United States has entered into a free trade agreement providing for national treatment for trade in natural gas (FTA countries). On February 5, 2016, DOE/FE issued Order No. 3768 in the same docket, authorizing Pieridae to export U.S.-source natural gas by pipeline to Canada for liquefaction and re-export in the form of LNG to other countries with which the United States does not have a free trade agreement providing for national treatment for trade in natural gas (Non-FTA countries).

As indicated above, Pieridae US filed the Statement notifying DOE of a change in control on December 18, 2015. DOE/FE published a notice of the filing in the Federal Register on June 28, 2016 (Notice),<sup>1</sup> and invited protests, motions to intervene, and written comments no later than July 13, 2016. In accordance with DOE/FE's CIC Revised Procedures for reviewing changes in control,<sup>2</sup> the Notice only addressed the amendment of the previously-issued final authorization for export of LNG to non-FTA countries. DOE/FE received no responses to the Notice and, consequently, the Statement is unopposed.

---

<sup>1</sup> Pieridae Energy (USA), Ltd., Statement Regarding Change in Control, 81 Fed. Reg. 41,967 (June 28, 2016).

<sup>2</sup> See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, Notice of procedures, 79 Fed. Reg. 65,641 (Nov. 5, 2014) [hereinafter CIC Revised Procedures].

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

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

The CIC Procedures provide that, upon receipt of a statement of change in control relating to previously issued FTA authorizations, DOE will give immediate effect to the change in control and will take no further action.<sup>3</sup> The change in control relating to the FTA authorization in Order No. 3639 accordingly has taken effect and no further action is required in relation to that authorization.

#### **B. Final Non-FTA Authorization**

The CIC Procedures state that with respect to existing non-FTA authorizations already issued by DOE, DOE will give effect to a change in control and will publish a notice of same in the Federal Register.<sup>4</sup> If no interested person protests the change in control and DOE takes no action on its own motion, the change in control will be deemed granted 30 days after publication.

5

Here, because no interested person protested the change described in the Statement, and more than 30 days have passed since publication of the Notice, the change in control related

---

<sup>3</sup> *Id.*

<sup>4</sup> *See* CIC Revised Procedures, 79 Fed. Reg. at 65,542.

<sup>5</sup> *Id.*

to Pieridae US's existing non-FTA authorization in Order No. 3768 is deemed granted and no further action will be taken.<sup>6</sup>

Sincerely,



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

---

<sup>6</sup> The Applicant is advised that it may be necessary as well to secure the approval of the Committee on Foreign Investment in the United States (CFIUS). DOE expresses no opinion regarding the need for review by CFIUS. Further information may be obtained at: <http://www.treasury.gov/resource-center/international/Pages/Committee-on-Foreign-Investment-in-US.aspx>