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February 18, 2016

Mr. John Anderson
Office of Fuel Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Ave., SW
Washington, D.C. 20585

Re: **Texas LNG Brownsville LLC, FE Docket No. 15-62-LNG**

Dear Mr. Anderson:

Pursuant to the U.S. Department of Energy (“DOE”), Office of Fossil Energy’s (“DOE/FE”) authorizations issued in the above-captioned proceedings, as well as DOE/FE policy, Texas LNG Brownsville LLC (“TXLNG”) hereby submits updated equity ownership information. The changes in equity ownership of TXLNG described below do not affect the governance of TXLNG and do not amount to a change-in-control over TXLNG.

Background

TXLNG is a limited liability company organized under the laws of Delaware. DOE/FE has issued long-term orders in FE Docket No. 15-62-LNG under Section 3 of the Natural Gas Act (“NGA”) authorizing TXLNG to export domestically produced liquefied natural gas (“LNG”) from the proposed Texas LNG Brownsville LLC Liquefied Natural Gas Export Project (“Brownsville Liquefaction Project”) to nations with which the United States has a free trade agreement for trade in natural gas and LNG (“FTA Nations”). TXLNG’s application to export to nations with which the United States has no such free trade agreement (“Non-FTA Nations”) is still pending. Specifically as to FTA Nations, DOE/FE has authorized LNG exports in an amount of up to the equivalent of approximately 204.4 billion cubic feet per year (“Bcf/y”) of natural gas from the Brownsville Liquefaction Project to FTA Nations.

DOE Regulations state that “[a]uthorizations by the Assistant Secretary to import or export natural gas shall not be transferable or assignable, unless specifically authorized

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by the Assistant Secretary.”¹ In its FTA Nations Order authorizing LNG exports from the Brownsville Liquefaction Project, DOE/FE noted that this limitation on transferability also applies to “any change, directly or indirectly, of the power to direct the management or policies of Texas LNG, 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.”² Furthermore, DOE/FE has explained that it “construes a change in control to mean a change directly or indirectly, of the power to direct the management or policies of an entity,” and that “a rebuttable presumption that control exists” will arise from the ownership or the power to vote, directly or indirectly, 10 percent or more of the voting securities of an entity.³

Description of Relevant Transactions

On April 15, 2015, TXLNG in FE Docket No. 15-62-LNG, filed its Application for Long-Term Authorization to Export Liquefied Natural Gas. In Paragraph 2 of the Application in the section entitled “Description of the Applicant”, TXLNG stated that in addition to Vivek Chandra, Langtry Meyer, Michael Maloney, and Samsung Engineering Co. Ltd. the owners of the applicant included Third Point LNG Aggregator LLC (a Delaware limited liability company), Third Point Partners Qualified L.P. (a Delaware limited partnership), and Third Point Partners L.P. (a Delaware limited partnership). As of April 15, 2015 each of the Third Point entities owned less than 10% of the common shares of TXLNG. As of the date of this filing, however, as a result of a previously scheduled additional investment, Third Point LNG Aggregator LLC beneficially owns approximately 15.09% of TXLNG’s issued and outstanding stock. Third Point LNG Aggregator’s acquisition of TXLNG common stock resulted from a routine investment transaction under a pre-existing 2014 agreement among the parties. No new agreements or amendments to existing documents were made to effectuate this investment. Third Point Partners Qualified L.P. and Third Point Partners L.P. still own less than 10% of the issued and outstanding stock of TXLNG.

There Has Been No Change in Control or Impact on DOE/FE’s Prior Public Interest Determinations

While Third Point LNG Aggregator’s acquisition of TXLNG common stock may trigger DOE/FE’s rebuttable presumption of a change-in-control, TXLNG hereby rebuts that presumption for the following reasons: First, the authorization holder remains the same entity and owners. Second, there has been no change in the operation or manner in

¹ 10 C.F.R. § 590.405 (2015).

² DOE/FTA Order No. 3716 dated September 24, 2015, Ordering Paragraph K.

³ See *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).
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which TXLNG is managed and no change the development of any aspect of the Brownsville Liquefaction Project and no change of the terms and conditions of any contractual arrangements applicable to the Project. Third, the transaction did not grant Third Point LNG Aggregator the “power to direct the management or policies”⁴ of TXLNG nor did it expand any rights Third Point LNG Aggregator has within the TXLNG limited liability company agreements that govern the relationship between the parties.

In any event, the updated equity ownership information has no effect on the grounds underlying the NGA Section 3 public-interest determinations previously made by DOE/FE in issuing its order authorizing LNG exports from the Brownsville Liquefaction Project, nor do they constitute a change in the material facts or conditions upon which the TXLNG’s Non-FTA Nations application pending in FE Docket No. 15-62-LNG is based.⁵ Therefore, notwithstanding the rebuttable presumption, DOE/FE need take no further action pertaining to the updated equity ownership information provided herein with respect to any prior authorization.

Should you have any questions about this letter, please feel free to contact the undersigned at (713) 374-3549.

Sincerely,



William S. Garner, Jr.
Armando Gonzalez

Attorneys for Texas Brownsville LNG LLC

WSG/lpd

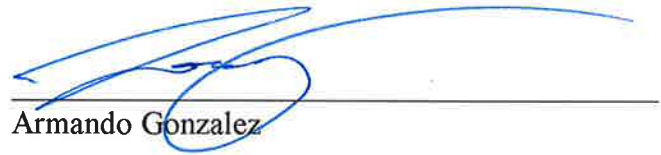
⁴ 79 Fed. Reg. at 65,542.

⁵ See, e.g., *Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC & FLNG Liquefaction 2, LLC, Order Approving Change in Control of Export Authorizations 9*, DOE/FE Order No. 3495, FE Docket Nos. 14-005-CIC, 12-06-LNG, 11-161-LNG, 10-160-LNG, & 10-161-LNG (Sept. 23, 2014) (approving change in control where it did not “impact any of the public interest considerations evaluated by DOE/FE in issuing [the authorization holders’] two conditional non-FTA authorizations”); *Cameron LNG, LLC Order Approving Change in Control of Export Authorizations 6*, DOE/FE Order No. 3452, FE Docket No. 14-001-CIC, 11-162-LNG & 11-145-LNG (Jun 27, 2014) (approving change in control where the authorization holder represented that it would “continue to hold both the FTA authorization and conditional non-FTA authorization issued by DOE/FE,” that “only the upstream ownership structure will change,” and that “the proposed transaction [would] not affect or modify the . . . Terminal, the scope or commencement date of the . . . Project, the total volume of LNG to be exported, or other terms and conditions of the export arrangements considered by DOE/FE in its prior public interest determinations”).

Certificate of Service

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Houston, Texas this 18 day of February, 2016.


Armando Gonzalez