



Port Arthur LNG

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**By DOE/FE at 4:30 pm, Mar 30, 2018**

March 30, 2018

Ms. Amy Sweeney  
U.S. Department of Energy  
Office of Fossil Energy  
Forrestal Building  
1000 Independence Ave., SW  
Washington, D.C. 20585

**Re: Request for Recognition of Exception and Description of Upstream  
Equity Ownership Information  
Port Arthur LNG, LLC, FE Docket No. 15-53-LNG  
Port Arthur LNG, LLC, FE Docket No. 15-96-LNG**

Dear Ms. Sweeney:

Pursuant to the U.S. Department of Energy, Office of Fossil Energy's ("DOE/FE") authorization issued in FE Docket No. 15-53-LNG, as well as DOE/FE regulations and policies, Port Arthur LNG, LLC ("PALNG") hereby submits updated equity ownership information regarding its indirect parent company, Sempra Energy, a publicly-traded California corporation. The changes in equity ownership of Sempra Energy described below do not affect the governance of PALNG, and do not amount to a change in control of either Sempra Energy or PALNG. Further, securities acquisitions under the circumstances described below are not undertaken with the purpose of or effect of changing or influencing the control of the issuer, and are unlikely to result in a change in control of a holder of an export authorization issued by the DOE/FE under Section 3 of the Natural Gas Act ("NGA").<sup>1</sup> Therefore, PALNG respectfully requests that the DOE/FE recognize an exception to its rebuttable presumption that the acquisition of 10 percent of an entity's stock results in a change in control of that entity.

Accordingly, PALNG asks that the DOE/FE issue a statement recognizing such an exception for authorization holders under Section 3 of the NGA, as discussed below, and confirming that under such circumstances no change in control is presumed to have occurred requiring further action on the part of the authorization holder. PALNG also requests that the DOE/FE adopt the criteria for considering future exceptions to the rebuttable presumption of control, as described below. Finally, PALNG respectfully requests that the DOE/FE issue any waivers of its regulations and/or policies that it may deem necessary in connection with the transactions described in this letter.

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<sup>1</sup> 17 U.S.C. § 717b (2017).

## I. Background

PALNG holds an authorization for long-term LNG exports to countries with which the United States has a Free Trade Agreement (“FTA”) providing for national treatment for trade in natural gas, approved by DOE/FE in DOE/FE Order No. 3698 in FE Docket No. 15-53-LNG. PALNG also has an application pending before the DOE/FE for long-term LNG exports to countries with which the United States does not have an FTA requiring the national treatment of natural gas (“Non-FTA”), filed in FE Docket No. 15-96-LNG. Sempra Energy owns 100 percent of the interests in PALNG indirectly through Sempra Energy’s subsidiaries.<sup>2</sup>

Section 3 of the NGA requires any person seeking to import or export natural gas (including LNG) from the United States to first receive an authorization to do so from the DOE/FE.<sup>3</sup> DOE/FE’s regulations at 10 C.F.R. § 590.405 state that authorizations to import or export natural gas shall not be transferable or assignable unless specifically authorized by the agency. In applying its regulations, DOE/FE has noted that a transfer or assignment of an existing authorization can occur due to a “change in control” of the authorization holder. A “change in control” of the authorization holder, in turn, can occur through an asset sale or stock transfer or by other means.<sup>4</sup> Further, DOE/FE’s regulations at 10 C.F.R. § 590.204(a) require applicants to amend pending import or export applications whenever there are changes in material facts or conditions upon which the proposal is based. DOE/FE has interpreted such changes in material facts or conditions to include changes in control of the entity proposing to hold the export authorization. In 2014, the DOE/FE issued a notice specifying the procedures it would adopt in reviewing transactions involving a change in control (“CIC Procedures”).<sup>5</sup> The CIC Procedures further clarified that a “change in control” is defined as:

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.

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<sup>2</sup> PALNG notes that another LNG export authorization holder, Cameron LNG, LLC (“Cameron LNG”), is also indirectly owned, in part, by Sempra Energy. Cameron LNG plans to submit a concurrent filing with the DOE/FE regarding the transactions discussed in this letter. To the extent that the DOE/FE grants an exception to the 10 percent rebuttable presumption of control, as discussed in the remainder of this letter, it is assumed that that exception would apply equally to Cameron LNG and all other similarly situated authorization holders under Section 3 of the NGA.

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

<sup>4</sup> *Cheniere Mktg., LLC & Corpus Christi Liquefaction, LLC*, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to Be Located in Corpus Christi, Texas, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3638 at 210, FE Docket No. 12-97-LNG (May 12, 2015).

<sup>5</sup> *See Procedures for Changes in Control Affecting Applications and Authorizations To Import or Export Natural Gas*, 79 Fed. Reg. 65,541 (Nov. 5, 2014).

The CIC Procedures state 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.<sup>6</sup>

## II. Description of Relevant Transactions

On March 12, 2018, T. Rowe Price Associates, Inc. (“TRP”) filed with the U.S. Securities and Exchange Commission (“SEC”) a Schedule 13G/A,<sup>7</sup> which reflected that, as of February 28, 2018, TRP beneficially held 28,591,287 shares of Sempra Energy common stock, representing an amount slightly more than 10 percent of that class of stock (“TRP Position Threshold Event”). Pursuant to SEC rules, TRP: (i) reported its ownership in Sempra Energy; (ii) elected to use a Schedule 13G/A for such purpose; and (iii) pursuant to its Schedule 13G, certified that its shares of Sempra Energy common stock were “acquired in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.”<sup>8</sup> PALNG first became aware that TRP held in excess of 10 percent of Sempra Energy’s equity shares after the Schedule 13G/A was filed on March 12, 2018.

As discussed below, it is clear that the TRP Position Threshold Event has not resulted in a change in control with respect to PALNG. Further, PALNG submits that going forward, DOE/FE should recognize an exception to the rebuttable presumption that a change in control has occurred, under the circumstances discussed below.

## III. No Change in Control Has Occurred and DOE/FE’s Prior Public Interest Determinations are Unaffected

Despite the fact that TRP now may own greater than 10 percent of the shares of common stock of the upstream owner (Sempra Energy) of the export authorization holder (PALNG), possibly triggering, on its face, the presumption of control under the CIC Procedures, that presumption is clearly rebutted in this case, and in instances involving similar stock acquisitions. There has been no change in ownership of PALNG itself by TRP’s acquisition of stock in Sempra Energy. PALNG will continue to hold the authorizations granted by DOE/FE in the captioned proceedings. Further, TRP’s acquisition of shares of Sempra Energy common stock as part of TRP’s role as an institutional investor has effected no change, directly or indirectly, in the operation or manner in which PALNG is managed, or in any aspect of the Port Arthur LNG Terminal or of the terms and conditions of its associated export arrangements. Finally, the updated equity ownership information will have no effect on PALNG’s FTA export authorization, which is conclusively presumed by Section 3(c) of the

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<sup>6</sup> CIC Procedures, 79 Fed. Reg. at 65,542.

<sup>7</sup> A “Schedule 13G/A” is an amendment to a previously filed Schedule 13G. For example, the Schedule 13G/A that TRP filed on March 12, 2018 reflecting an ownership percentage greater than 10 percent of Sempra Energy’s stock was an amendment to the Schedule 13G that TRP had previously filed on February 14, 2018 to reflect that, at the time, it owned a percentage of Sempra Energy’s stock greater than 5 percent.

<sup>8</sup> T. Rowe Price Associates, Inc., Schedule 13G/A (Mar. 12, 2018), included as an attachment to this letter.

NGA to be consistent with the public interest.<sup>9</sup> Neither does TRP's acquisition of Sempra Energy's stock amount to a "change[] in material facts or conditions" that are the basis of PALNG's pending Non-FTA proposal in FE Docket No. 15-93-LNG. Accordingly, consistent with its prior practice,<sup>10</sup> PALNG respectfully requests that the DOE/FE issue a statement confirming that a change in control of PALNG has not occurred and that no further action is required. Further, to avoid the unnecessary burden associated with similar transactions in the future, PALNG urges DOE/FE to recognize a general exception to the rebuttable presumption of control.

#### IV. DOE/FE Should Recognize an Exception to the Rebuttable Presumption of Control for Stock Acquisitions Accompanied by Certain Schedule 13G Filings

As discussed above, the circumstances surrounding TRP's holding of greater than 10 percent of Sempra Energy's common stock clearly do not evidence a change in control of Sempra Energy or its indirect subsidiary, PALNG. Further, PALNG respectfully requests that DOE/FE determine that, as a general matter, transactions similar to the TRP Position Threshold Event are not presumed to involve a change in control, notwithstanding the 10 percent rebuttable presumption recognized in the CIC Procedures, and thus, no filing is required to be made with the DOE/FE under the circumstances specified below.

The CIC Procedures state the "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.<sup>11</sup> However, the presumption that control over an entity exists should not apply where the acquisition of 10 percent or more of the voting securities of a publicly-traded entity is accompanied by a Schedule 13G filing with the SEC under the Exchange Act certifying that the securities were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities.

Good cause exists for DOE/FE to recognize such an exception to the 10 percent rebuttable presumption of control. PALNG believes that it was not the intention of DOE/FE's regulations and policies regarding the change in control of an export authorization holder,

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<sup>9</sup> 17 U.S.C. § 717b(c). PALNG notes that in addition to the authorizations of Cameron LNG, Sempra Energy's indirect affiliates currently hold five short-term blanket authorizations to import and/or export natural gas and/or LNG from FTA countries and/or to import LNG from Non-FTA countries. These affiliates include Sempra LNG Marketing, LLC (DOE/FE Order No. 381), Sempra LNG International, LLC (DOE/FE Order No. 4058); Ecogas Mexico S. de R.L. de C.V. (DOE/FE Order No. 4029), Termoelectrica de Mexicali (DOE/FE Order No. 3899), and Sempra Gas & Power Marketing, LLC (DOE/FE Order No. 3859). On their face, the CIC Procedures do not apply to short-term blanket authorizations to import and/or export natural gas and/or LNG to or from FTA countries or to import LNG from Non-FTA countries. Further, those activities are deemed to be consistent with the public interest pursuant to Section 3(c) of the NGA. However, to the extent that the DOE/FE determines it necessary, PALNG, on behalf of those entities, respectfully requests that the DOE/FE extend the findings and relief requested in this letter to those other Sempra Energy affiliates affected by the transactions described herein.

<sup>10</sup> Letter from Robert J. Smith, Acting Deputy Assistant Secretary, Office of Fossil Energy to Karri Mahmoud, Cheniere Energy, Inc., FE Docket No. 10-85-LNG *et al.*, (Feb. 20, 2018) ("Feb. 20 Sabine Pass Letter").

<sup>11</sup> CIC Procedures, 79 Fed. Reg. at 65,542.

including the 10 percent rebuttable presumption, to apply to such situations where there is clear, objective evidence that no change in control has occurred with respect to a publicly-traded company. A recognized exception would make this intention clear and would relieve the undue burden upon publicly-traded companies that a strict application of the 10 percent rebuttable presumption of control would otherwise impose on authorization holders and the DOE/FE.

*A. SEC Rules Require Holders of More Than 5 Percent of an Issuer's Stock to Specify their Intent with Respect to Control*

Transactions accompanied by the certified statements in Schedule 13G do not involve a change in control and therefore will not affect the public interest determination associated with export authorizations issued by the DOE/FE under the NGA. Under Section 13 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the SEC's regulations promulgated under that statute, certain holders of the securities of publicly-traded companies must file detailed reports with the SEC regarding their ownership positions in those public companies whenever the security holder's ownership percentage exceeds a specific threshold. In addition, Section 16 of the Exchange Act requires holders of more than 10 percent of an issuers stock, with limited exceptions, to file a Form 4 within two business days of any acquisition or disposition of such securities. A security holder will be exempt from submitting more detailed and burdensome reports under the Exchange Act (*e.g.*, Schedule 13D) if it qualifies under one of three categories of investors that are permitted to file a Schedule 13G under SEC Rule 13d-1(b)-(d). For example, one of those exceptions applies to "institutional investors," including brokerage firms, banks, insurance companies, investment advisers such as TRP, *etc.* that have acquired the securities in the ordinary course of business and not with the purpose nor with the effect of changing or influencing the control of the issuer.<sup>12</sup> Whenever an institutional investor's position exceeds 10 percent of a class of stock, it must submit a Schedule 13G within a specific time period after that position threshold has been reached, and the Schedule 13G must contain a certification that, among other things, the securities were not acquired for the purpose or with the effect of changing or influencing the control of the issuer.

Good reason exists for the DOE/FE and other parties to rely upon a filer's statements contained in SEC Schedule 13G regarding the intent of the acquiring parties as conclusive evidence that no change in control has occurred as a result of such an investor acquiring greater than 10 percent of a publicly-traded company's stock. In order to qualify for the exemption from filing a more onerous Schedule 13D in connection with an acquisition of a position exceeding 10 percent of an issuer's stock, an institutional or passive investor filing a Schedule 13G must sign and certify its statement regarding its intent that the acquisition was not entered into with the effect or intent of changing the control of the issuer. A party that is found to have filed a document with the SEC that contains a false certification may be subject to civil or criminal sanctions, including but not limited to monetary penalties, fines up to \$5,000,000,

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<sup>12</sup> SEC Rule 13d-1(b), 17 C.F.R. § 240.13d-1. Another exemption at SEC Rule 13d-1(c) applies to "passive investors," which do not qualify as an institutional investor, but certify that the securities were not acquired with the purpose or effect of changing or influencing the control of the issuer. *Id.* § 240.13d-1(c).

and/or imprisonment for up to 20 years.<sup>13</sup> Further, to the extent that there are changes in the facts regarding the intent or effect of an acquisition related to the change in control of the issuer, the party filing a Schedule 13G is under an affirmative obligation to notify the SEC of such change in facts through the filing of a Schedule 13D within 10 days of acquiring or holding the securities with a purpose or effect of changing or influencing control of the issuer, or in connection with or as a participant in any transaction having that purpose or effect.<sup>14</sup> In the event that an acquiring company's statement in a Schedule 13G regarding its lack of intent to change or influence the control of an issuer is no longer valid, the acquiring company would have to file a Schedule 13D with the SEC evidencing that change in intent, and the exception to the rebuttable presumption discussed in this letter would no longer apply. Schedules 13G and 13D are filed with the SEC and are publicly available and easily verifiable on the SEC's website. Accordingly, DOE/FE can be assured that if it establishes an exception to the 10 percent rebuttable presumption of control as discussed in this request, such an exception could not be used to evade the DOE/FE's public interest review or otherwise be used in an abusive manner contrary to the public interest.

*B. Strict Application of the 10 percent Rebuttable Presumption Would be Unduly Burdensome for Publicly-Traded Companies and DOE/FE Resources*

In the absence of a recognized exception for transactions similar to the TRP Position Threshold Event, the 10 percent rebuttable presumption would place an undue burden upon export authorization holders like PALNG that are owned by publicly-traded parents such as Sempra Energy, without providing any corresponding benefit to the public interest. This burden is compounded even further to the extent an authorization holder is owned by multiple publicly-traded companies. The CIC Procedures established a clear mechanism for DOE/FE authorization holders to request approval from DOE/FE for transactions that indisputably qualify as a "change in control." The CIC Procedures stated DOE/FE's policy that ownership of greater than 10 percent of an entity's stock will establish a rebuttable presumption that control exists. However, nothing in the CIC Procedures nor any of the DOE/FE's orders specifically provides a formal mechanism for an entity to actually rebut that presumption. In practice, authorization holders have filed letters, similar to this one, with the DOE/FE presenting the facts that rebut the presumption of control, and DOE/FE has responded with a letter confirming that no change in control has occurred.<sup>15</sup> Without further DOE/FE clarification or guidance, it can thus be presumed that authorization holders owned by publicly-traded companies must submit such a filing with the DOE/FE, seeking confirmation that no

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<sup>13</sup> See 15 U.S.C. § 78ff (specifying criminal sanctions for violations of the laws and regulations administered by the SEC). The SEC can also bring enforcement action for violations of Section 13(d), Section 13(g), Rule 10b-5 and Section 10(b). See *SEC v. Blatt*, 583 F.2d 1325, 1334 n. 29 (5th Cir. 1978) (outlining factors that may be used in determining appropriate civil remedies).

<sup>14</sup> See SEC Rule 13d-1(e), 17 C.F.R. § 240.13d-1(e) (requiring stockholders otherwise entitled to file a Schedule 13G to submit the more extensive Schedule 13D within 10 days, if the intent or effect of that persons holding of the issuer's stock changes so that the purpose or effect of holding the securities is to change or influence the control of the issuer); Rule 13d-2; 17 C.F.R. § 240.13d-2 (requiring amendments to previously-filed reports to disclose material changes, including material changes to holdings).

<sup>15</sup> See Feb. 20 Sabine Pass Letter.

change in control has occurred, each and every time that an authorization holder is informed that an investor has obtained a position exceeding 10 percent of the outstanding stock of its parent company, despite the fact that the acquiring investor may have explicitly disavowed the intent or effect of changing the control of the parent company. This would create an undue burden on the export authorization holder and place an unnecessary strain on DOE/FE administrative resources without providing any benefit to the DOE/FE's natural gas regulatory program. PALNG does not believe that imposing such a filing requirement on publicly-traded companies is either contemplated by DOE/FE policy or consistent with the public interest.

Without a recognized exception to the 10 percent rebuttable presumption, as requested in this letter, publicly-traded companies will be faced with an unreasonable burden. Such companies have limited ability to influence acquisitions or require dispositions of their publicly-traded stock. Indeed, it is often the case that publicly-traded companies are unaware of the exact ownership profile of their stock at any given point in time. Publicly-traded companies typically rely upon filings submitted to the SEC under the Exchange Act, including the Schedule 13G filed, as applicable, by institutional investors and others, to provide information on the ownership of their stock.<sup>16</sup> Because information about the exact ownership, on a relative basis, of a publicly-traded company is often beyond the knowledge of the company itself, it cannot always comply with the DOE/FE's CIC Procedures on a timely basis.

The CIC Procedures note that a notice or statement regarding a change in control transaction must, in all cases, be filed with DOE/FE "no later than 30 days after such changes have been effectuated . . . unless good cause is shown for a later filing."<sup>17</sup> Assuming that the same timeframe would apply to a situation in which the export authorization holder seeks to rebut the presumption that a change in control has occurred, publicly-traded companies whose stock is purchased by an investor qualifying for reporting under Schedule 13G may be unable to submit a timely filing with the DOE/FE due to the timing of these reporting requirements. Publicly-traded companies are often unaware that any ownership threshold with respect to their outstanding securities has been met until sometime after that ownership threshold has been exceeded. For example, a holder of securities relying upon the "institutional investor" exception to the more burdensome SEC filing requirements must submit a Schedule 13G to the SEC within 10 days after the end of the first month in which its interest exceeded 10 percent of the outstanding class of stock. Accordingly, because an authorization holder may not know that another entity has acquired more than 10 percent of the stock of its publicly-traded parent until well after the event has occurred, it is impracticable for the authorization holder to be expected to submit a filing with the DOE/FE within the time period stated in the CIC Procedures.

Further, if the DOE/FE presumes that ownership of a 10 percent interest in an entity establishes control over that entity, effecting a change in control, then presumably a change in control would likewise occur where the same entity's ownership subsequently dropped below

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<sup>16</sup> Other examples of information used by publicly-traded companies to ascertain the ownership of their publicly-traded stock include SEC Schedule 13D and Forms 3, 4 and 5 filed under Section 16 of the Exchange Act.

<sup>17</sup> CIC Procedures, 79 Fed. Reg. at 65,542.

10 percent of the publicly-traded company's stock. However, a publicly-traded company's ability to determine when an entity that previously held greater than 10 percent of its stock has dropped below that threshold can often be limited to the availability of public information and/or filings made by such entity pursuant to SEC filing requirements, which in many cases may not allow for timely filings with the DOE/FE, if at all.

In addition to the burden placed upon authorization holders owned by publicly-traded companies, a strict application of the 10 percent rebuttable presumption of control would be burdensome on the staff and resources of the DOE/FE itself, which would be required to review and respond to requests for determinations regarding changes in control that would almost certainly be granted given the strong evidence supporting the lack of the intent or effect of changing the control of an authorization holder or its upstream owner. Under these circumstances, the DOE/FE could achieve a more efficient deployment of agency time and resources by adopting the principle that the filing of a Schedule 13G, accompanied by the appropriate certification, serves as conclusive evidence that no change in control has occurred, and that under those circumstances, no further action or filing with the DOE/FE is necessary.

Finally, any burden placed upon publicly-traded companies to monitor SEC filings associated with the purchase of their stock and to make filings with the DOE/FE regarding those purchases, as well as the corresponding burden placed upon the DOE/FE in reviewing and issuing responses to such filings, would not be met with any countervailing benefit to the public interest. As discussed above, where there is objective, verifiable evidence – such as the certified statements provided in Schedule 13G – that the stock of a publicly-traded company has not been acquired for the purpose of changing or influencing the control of the issuer, the presumption of control should be conclusively rebutted without further need for a filing by the authorization holder or confirmation by the DOE/FE. Accordingly, a recognized exception to the 10 percent rebuttable presumption of control under the circumstances discussed herein would serve the public interest by making efficient use of the resources of both authorization holders and the DOE/FE.

V. DOE/FE Should Establish a Standard for Approving Other Exceptions to the Rebuttable Presumption of Control

In addition to Schedule 13G, there may be other evidence available that could provide DOE/FE the same degree of certainty with respect to the lack of intent and effect of changing the control of a publicly-traded company. For the same reasons discussed above, good cause may exist to grant additional exceptions to the 10 percent rebuttable presumption of control when a transaction is supported by such evidence. Accordingly, to the extent that the DOE/FE may consider extending the exception to the rebuttable presumption of control requested in this letter for transactions accompanied by the filing of an SEC Schedule 13G supported by the appropriate certification, PALNG suggests that DOE/FE adopt the following criteria for extending such exceptions. Specifically, the 10 percent rebuttable presumption of control should not apply to circumstances where:



- (1) the entity in question, either the export authorization holder itself or an upstream owner, (“issuer”) is publicly traded; and
- (2) there exists objective, verifiable evidence that the securities of the issuer were not acquired or held for the purpose or with the effect of changing or influencing the control of the issuer.

The filing of an SEC Schedule 13G that contains a certified statement affirming that the securities of the issuer were not acquired or held for the purpose of changing or influencing the control of the issuer would satisfy these criteria. Other documents that could satisfy the “objective, verifiable evidence” standard established by this request include filings with other U.S. and foreign government agencies or securities exchanges that evidence the intent of the acquirer not to change or influence the control of the issuer. PALNG is not suggesting that individual authorization holders make such a determination on their own. Rather, the DOE/FE could entertain requests by individual authorization holders to review specific classes of evidence to determine, on a case-by-case basis, whether such evidence constitutes “objective and verifiable evidence that the securities of the issuer were not acquired or held for the purpose or with the effect of changing or influencing the control of the issuer” supporting an exception to the rebuttable presumption of control.

#### VI. Request for Waiver of Filing CIC Procedures

Sempra Energy monitors public filings made with the SEC to determine who beneficially owns its outstanding publicly-traded stock. These filings are submitted by the beneficial owners at times prescribed by the SEC and are accurate as of the date noted in such filings. Thus, Sempra Energy and PALNG cannot confirm the exact percentage of outstanding stock that TRP owns as of the date of this letter or even that TRP still owns greater than 10 percent of Sempra Energy’s shares of common stock. Further, PALNG cannot confirm the exact date TRP exceeded 10 percent ownership in Sempra Energy since the deadline to file its Schedule 13G/A was within ten days following the close of the month that it crossed the 10 percent ownership threshold. As a result, PALNG is not able to confirm the commencement of the 30-day period for submitting notice to the DOE/FE of the TRP Position Threshold Event under the CIC Procedures. PALNG has made every effort to submit this letter within 30 days of the date mentioned in TRP’s submitted Schedule 13G/A (February 28, 2018). However, to the extent that it is determined that some other date should have been used to trigger the 30-day filing requirement, PALNG respectfully submits that good cause exists for DOE/FE to waive any other applicable timeframe for filing this letter and any other provisions of the CIC Procedures or DOE/FE regulations and policies that may be necessary to grant the relief requested in this letter. As discussed above, these circumstances highlight the difficulty that publicly-traded companies face in attempting to timely comply with the DOE/FE’s 10 percent rebuttable presumption and provide a compelling basis for DOE/FE to grant an exception to that presumption, as discussed above.

VII. Conclusion

For the reasons stated above, PALNG respectfully requests that the DOE/FE issue an order: (1) confirming that no change in control has occurred with respect to the TRP Position Threshold Event; (2) establishing an exception to the 10 percent rebuttable presumption of control where the acquisition of 10 percent or more of the voting securities of a publicly-traded entity is accompanied by a Schedule 13G filing with the SEC under the Exchange Act certifying that the securities were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities, as requested in this letter; (3) adopting the criteria set forth above for considering in the future other exceptions to the 10 percent rebuttable presumption of control that may be considered by DOE/FE; and (4) granting the waivers requested in this letter. To the extent that DOE/FE determines it necessary to issue separate statements and/or orders or initiate separate proceedings to grant the relief requested, PALNG respectfully request that DOE/FE do so.

Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Jerrod L. Harrison  
Jerrod L. Harrison  
Sempra Infrastructure, LLC  
488 8<sup>th</sup> Avenue  
San Diego, CA 92101  
(619) 696-2987  
jharrison@sempraglobal.com

*On Behalf of Port Arthur LNG, LLC*

cc: R.J. Colwell

Attachment

Attachment  
T. Rowe Price Associates, Inc.  
SEC Schedule 13G/A  
March 12, 2018

<DOCUMENT>  
 <TYPE>SC 13G/A  
 <SEQUENCE>1  
 <FILENAME>srel13gafeb18.txt  
 <TEXT>

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)

SEMPRA ENERGY  
 (Name of Issuer)

COMMON STOCK  
 (Title of Class of Securities)

816851109  
 (CUSIP NUMBER)

February 28, 2018  
 (Date of Event which Requires Filing of Statement)

Check the appropriate box to designate the Rule pursuant to which this Schedule is filed:

Rule 13d - 1(b)  
 Rule 13d - 1(c)  
 Rule 13d - 1(d)

1. Name of Reporting Person  
 T. ROWE PRICE ASSOCIATES, INC.  
 52-0556948

2. Check the Appropriate Box if a Member of a Group  
 NOT APPLICABLE

3. SEC Use Only

4. Citizenship or Place of Organization  
 Maryland

Number of Shares Beneficially Owned by Each Reporting Person With

5. Sole Voting Power\* 10,907,968

6. Shared Voting Power\* 0

7. Sole Dispositive Power\* 28,576,793

8. Shared Dispositive Power 0

9. Aggregate Amount Beneficially Owned by Each Reporting Person  
 28,591,287

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

NOT APPLICABLE

11. Percent of Class Represented by Amount in Row 9  
10.2%

12. Type of Reporting Person  
IA

\*Any shares reported in Items 5 and 6 are also reported in Item 7.

Item 1(a) Name of Issuer:  
SEMPRA ENERGY

Item 1(b) Address of Issuer's Principal Executive Offices:  
488 8TH AVENUE  
P O BOX 129400  
SAN DIEGO, CALIFORNIA 92101

Item 2(a) Name of Person(s) Filing:  
(1) T. ROWE PRICE ASSOCIATES, INC. ("Price Associates")

Item 2(b) Address of Principal Business Office:  
100 E. Pratt Street, Baltimore, MD 21202

Item 2(c) Citizenship or Place of Organization:  
(1) Maryland

Item 2(d) Title of Class of Securities: COMMON STOCK

Item 2(e) Cusip Number: 816851109

Item 3: The person filing this Schedule 13G is an:  
X Investment Adviser registered under Section 203 of the Investment  
Advisers Act of 1940

Item 4: Reference is made to Items 5-11 on the preceding pages of this  
Schedule 13G.

Item 5: Ownership of Five Percent or Less of a Class  
Not Applicable

Item 6: Ownership of More than Five Percent on Behalf of Another Person

(1) Price Associates does not serve as custodian of the assets of any of its clients; accordingly, in each instance only the client or the client's custodian or trustee bank has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities.

The ultimate power to direct the receipt of dividends paid with respect to, and the proceeds from the sale of, such securities, is vested in the individual and institutional clients which Price Associates serves as investment adviser. Any and all discretionary authority which has been delegated to Price Associates may be revoked in whole or in part at any time.

Except as may be indicated if this is a joint filing with one of the registered investment companies sponsored by Price Associates which it also serves as investment adviser ("T. Rowe Price Funds"), not more

than 5% of the class of such securities is owned by any one client subject to the investment advice of Price Associates.

- (2) With respect to securities owned by any one of the T. Rowe Price Funds, only the custodian for each of such Funds, has the right to receive dividends paid with respect to, and proceeds from the sale of, such securities. No other person is known to have such right, except that the shareholders of each such Fund participate proportionately in any dividends and distributions so paid.

Item 7: Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.  
Not Applicable

Item 8: Identification and Classification of Members of the Group  
Not Applicable

Item 9: Notice of Dissolution of Group  
Not Applicable

Item 10: Certification  
By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect. T. Rowe Price Associates, Inc. hereby declares and affirms that the filing of Schedule 13G shall not be construed as an admission that Price Associates is the beneficial owner of the securities referred to, which beneficial ownership is expressly denied.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

T. ROWE PRICE ASSOCIATES, INC.  
Date: March 12, 2018  
Signature: /s/ David Oestreicher  
Name & Title: David Oestreicher, Vice President

02/28/2018

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CERTIFICATE OF SERVICE

I hereby certify that I have this 30th day of March, 2018, served the foregoing document filed with the Department of Energy, Office of Fossil Energy upon the designated representatives of all parties to this proceeding in accordance with 10 C.F.R. § 590.107(a).

Dated: March 30, 2018

/s/ Nelli Doroshkin  
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