



Department of Energy  
Washington, DC 20585

March 13, 2020

J. Patrick Nevins  
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**RE: Statement and Notice of Change in Control**  
Dominion Energy Cove Point LNG, LP  
FE Docket Nos. 11-115-LNG, 11-128-LNG, 18-180-LNG, 19-156-LNG

Dear Mr. Nevins:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to your letter filed on behalf of Dominion Energy Cove Point LNG, LP (DECP) on October 23, 2019,<sup>1</sup> as supplemented on February 11, 2020,<sup>2</sup> in the above-referenced proceedings. In those filings, DECP provides information regarding changes to its ownership in light of DOE/FE's Change in Control Procedures.<sup>3</sup>

## **I. BACKGROUND**

DECP, a Delaware limited liability partnership, is the owner and operator of the Cove Point LNG Terminal located in Lusby, Maryland. DECP is a wholly-owned, indirect subsidiary of Dominion Energy, Inc. (DEI), a Virginia corporation.<sup>4</sup> DECP's general partner is Cove Point GP Holding Company, LLC (Cove Point GP), a Delaware limited

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<sup>1</sup> Dominion Energy Cove Point LNG, LLP, FE Docket Nos. 11-115-LNG *et al.*, Notification Regarding Planned Change in Indirect Ownership In Accordance with Procedures for Changes in Control (Oct. 23, 2019) [hereinafter DECP Notification].

<sup>2</sup> See Email from J. Patrick Nevins, Counsel for DECP, to DOE/FE (Feb. 11, 2020) [hereinafter DECP Update].

<sup>3</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 (Nov. 5, 2014) [hereinafter DOE/FE Change in Control Procedures].

<sup>4</sup> DECP Notification at 1.

liability company and a wholly-owned, indirect subsidiary of DEI.<sup>5</sup> In 2017, DECP (formerly Dominion Cove Point LNG, LP) underwent a corporate name change.<sup>6</sup>

DECP currently holds long-term, multi-contract authorizations to export domestically produced liquefied natural gas (LNG) by vessel from the Cove Point Terminal to: (i) any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), pursuant to section 3(c) of the Natural Gas Act (NGA);<sup>7</sup> and (ii) any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), pursuant to NGA section 3(a).<sup>8</sup> DOE/FE issued the long-term FTA authorization in DOE/FE Order No. 3019,<sup>9</sup> and the long-term non-FTA authorization in DOE/FE Order No. 3331-A.<sup>10</sup>

Additionally, DECP currently holds two blanket authorizations for a two-year period: (i) Order No. 4320, to import LNG from various international sources;<sup>11</sup> and Order No. 4508, to export both domestically produced LNG and LNG previously imported from foreign sources.<sup>12</sup>

## **II. DESCRIPTION OF CHANGE IN CORPORATE OWNERSHIP**

In the Notification filed on October 23, 2019, DECP stated that its ultimate parent company, DEI, planned to implement the following actions:<sup>13</sup>

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<sup>5</sup> See *id.* at 3.

<sup>6</sup> See *Dominion Energy Cove Point LNG, LP*, DOE/FE Order Nos. 3331-C, *et al.*, FE Docket Nos. 11-128-LNG, *et al.*, Order Granting Request to Amend Authorizations to Export Liquefied Natural Gas to Reflect Corporate Name Change (Aug. 4, 2017) (amending authorizations to reflect corporate name change).

<sup>7</sup> 15 U.S.C. § 717b(c). 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.

<sup>8</sup> 15 U.S.C. § 717b(a).

<sup>9</sup> *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 3019, FE Docket No. 11-115-LNG, Order Granting Long-Term, Multi-Contract Authority to Export Liquefied Natural Gas from the Cove Point LNG Terminal to Free Trade Nations (Oct. 7, 2011).

<sup>10</sup> *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 3331-A, FE Docket No. 11-128-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cove Point LNG Terminal in Calvert County, Maryland to Non-Free Trade Agreement Nations (May 7, 2015). Previously, in DOE/FE Order No. 3331, DOE/FE had issued a conditional order to DECP that had addressed the record evidence and entered findings on all non-environmental issues considered under NGA section 3(a). See *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 3331, FE Docket No. 11-128-LNG, Order Conditionally Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cove Point LNG Terminal in Calvert County, Maryland to Non-Free Trade Agreement Nations (Sept. 11, 2013).

<sup>11</sup> *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 4320, FE Docket No. 18-180-LNG, Order Granting Blanket Authorization to Import Liquefied Natural Gas from Various International Sources by Vessel (Dec. 11, 2018).

<sup>12</sup> *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 4508, FE Docket No. 19-156-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreements Nations (Feb. 28, 2020).

<sup>13</sup> DECP Notification at 3.

First, DEI will implement an internal corporate reorganization with respect to the limited partnership interests in DECP, whereby Dominion MLP Holding Company II, Inc. (Dominion MLP Holding) will own 75% of the limited partnership interest in DECP, and Dominion Gas Projects Company, LLC (Dominion Gas Projects) will own 25% of the limited partnership interests.<sup>14</sup> Cove Point GP will remain DECP's general partner.

Second, pursuant to a Purchase and Sale Agreement entered into on October 18, 2019, DEI and Dominion Gas Projects will sell the 25% limited partnership interest in DECP to Bowie Acquisitions LLC (Bowie Acquisitions or the Investor), an affiliate of Brookfield Asset Management Inc. (Brookfield).<sup>15</sup> DECP's remaining 75% limited partnership interest will continue to be owned by Dominion MLP Holding, and Cove Point GP will remain DECP's general partner. Additionally, Dominion MLP Holding and Cove Point GP will remain wholly-owned, direct or indirect subsidiaries of DEI.<sup>16</sup>

Finally, the parties will enter into an amended and restated Limited Partnership Agreement for DECP. Under this Agreement (in relevant part), Cove Point GP will retain all day-to-day management and control of DECP as the general partner. Bowie Acquisitions, as the minority, limited partner, will have "an economic interest in DECP, along with voting rights with respect to certain major decisions."<sup>17</sup>

In the Update filed on February 11, 2020, DECP informed DOE/FE that the parties completed the transfer of the 25% limited partnership interest to Bowie Acquisitions on December 20, 2019.<sup>18</sup> DECP states that it will remain the holder of the export authorizations, and there will be no change in the operation of the Cove Point Terminal as a result of this transaction.<sup>19</sup>

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

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.<sup>20</sup> A rebuttable presumption

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<sup>14</sup> As part of this internal reorganization, Dominion MLP Holding will be converted from a Delaware corporation into a Virginia limited liability company. *See id.*

<sup>15</sup> DECP states that Bowie Acquisitions is a special purpose vehicle of a Brookfield managed open-ended infrastructure fund, Brookfield Super-Core Infrastructure Partners, for which Brookfield makes investment decisions. *See id.*

<sup>16</sup> *See id.* at 3 & Attach. A ("Simplified Organizational Chart Following Closing").

<sup>17</sup> DECP Notification at 3.

<sup>18</sup> *See* DECP Update (citing *Dominion Energy Completes Equity Recapitalization of Cove Point* (Dec. 20, 2019), available at: <https://news.dominionenergy.com/2019-12-20-Dominion-Energy-Completes-Equity-Recapitalization-of-Cove-Point>).

<sup>19</sup> DECP Notification at 4.

<sup>20</sup> *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

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.<sup>21</sup>

### **A. LNG Import and FTA Export Authorizations**

DOE/FE's Change in Control Procedures provide that, upon receipt of a statement of change in control relating to existing LNG import and FTA export authorizations, DOE will give immediate effect to the change in control and will take no further action.<sup>22</sup> Accordingly, the change in control described above has taken effect insofar as it relates to DOE/FE Order No. 3019, Order No. 4320, and the FTA portion of Order No. 4508.

### **B. Non-FTA Export Authorizations**

DOE/FE's Change in Control Procedures state that, with respect to existing non-FTA authorizations, DOE/FE will give effect to the change in control and will publish a notice of the change in the *Federal Register*.<sup>23</sup> If no interested person protests the change in control and DOE takes no action on its own motion, the amendment to the existing non-FTA authorization will be deemed granted 30 days after publication in the *Federal Register*.<sup>24</sup>

Consistent with these procedures, DOE published a notice of the change in control described above in the *Federal Register* on November 20, 2019 (Notice).<sup>25</sup> DOE/FE invited protests, motions to intervene, and written comments to be filed no later than December 5, 2019.<sup>26</sup> DOE/FE received no filings in response to the Notice. Because more than 30 days have passed since the Notice was published in the *Federal Register*, the change in control with respect to DOE/FE Order No. 3331-A and the non-FTA portion of Order No. 4508 is deemed granted. No further action is required.

Sincerely,

Amy R. Sweeney  
Director, Office of Regulation, Analysis, and Engagement

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<sup>21</sup> *See id.*

<sup>22</sup> *See id.*

<sup>23</sup> *See id.*

<sup>24</sup> *See id.*

<sup>25</sup> U.S. Dep't of Energy, Notice of Change in Control, Dominion Energy Cove Point LNG, LP, 84 Fed. Reg. 64,053 (Nov. 20, 2019).

<sup>26</sup> *See id.*