

RP15-259-000

1. On December 10, 2014, Pivotal LNG, Inc. (Pivotal) filed a petition¹ requesting the Commission declare that liquefaction facilities operated by Pivotal and its affiliates that produce liquefied natural gas (LNG) that would ultimately be exported to foreign nations by a third party would not be subject to the Commission’s jurisdiction pursuant to section 3 of the Natural Gas Act (NGA). For the reasons discussed herein, we find that the activities described in Pivotal’s petition will not subject the liquefaction facilities to the Commission’s NGA section 3 jurisdiction.

¹ Pivotal’s *Petition for a Declaratory Order (Petition)* was submitted pursuant to Rule 207 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.207 (2014).

4. Pivotal now seeks a declaratory order finding that the LNG facilities it identifies **would not be deemed “LNG Terminals”** subject to the Commission’s NGA section 3 jurisdiction when engaging in transactions which ultimately result in any of the LNG they produce being exported. Specifically, Pivotal expects it or its affiliates to sell LNG that is (1) produced at the identified inland LNG facilities or supplied by a third party; (2) transported by Pivotal, an affiliate, or third party in interstate and intrastate commerce by means other than interstate pipeline; and (3) subsequently exported, or resold for ultimate export, by a third party.
5. Pivotal **asserts that none of the named LNG facilities constitute an “LNG Terminal”** as defined by NGA section 2(11), since they are all located inland, unlike the border-crossing pipelines and coastal LNG terminals that the Commission has traditionally regulated under NGA section 3. Pivotal further avers that there is no regulatory gap or public policy rationale that would justify exercise of the Commission’s NGA section 3 jurisdiction.