



Southern LNG
Company, L.L.C.
a Kinder Morgan company

October 1, 2014

VIA EMAIL – NGReports@hq.doe.gov

U.S. Department of Energy (FE-34)
Office of Fossil Energy
Office of Natural Gas Regulatory Activities
P. O. Box 44375
Washington, DC 20026-4375
Attention: NGReports@hq.doe.gov.
Charles Painter

RE: Southern LNG Company, L.L.C.
DOE Semi-Annual Report No. 5
DOE/FE Order No. 3106 – FE Docket No. 12-54-LNG

Dear Mr. Painter:

On June 15, 2012, the Department of Energy's Office of Fossil Energy ("DOE/FE") issued an order in Docket No. 12-54-LNG authorizing Southern LNG Company, L.L.C. ("SLNG") to export domestically produced LNG by vessel from its Elba Island Terminal in Savannah, Georgia up to the equivalent of 182.5 Bcf per year of natural gas for a 25-year term ("FTA Order").¹ Paragraph (I) of the FTA Order requires that SLNG file with the Office of Natural Gas Regulatory Activities "information on the progress of the proposed LNG liquefaction project at the Elba Island Terminal, the date the facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts." SLNG hereby submits this letter to provide the Semi-Annual Report for April 1, 2014 through September 30, 2014.

Development activities continue to progress. Subsequent to filing the Application for Authorization under Section 3 of the Natural Gas Act for the Elba Liquefaction Project, SLNG and Elba Liquefaction Company, L.L.C. ("ELC") implemented an optimization process, the purpose of which was to attempt to reduce environmental impacts and streamline engineering design, all without sacrificing operational safety. This optimization process yielded favorable results with only limited changes needed to the Elba Liquefaction Project layout and overall plot plan. ELC and SLNG filed the optimization update package with the Federal Energy Regulatory Commission ("FERC") on September 5, 2014, and September 12, 2014. Additionally, SLNG and ELC have responded to data requests from FERC staff to further facilitate FERC's review and processing of the application. FERC (through its environmental contractor) is presently engaged in the preparation of an environmental assessment.

¹ DOE/FE, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal in DOE/FE Docket No. 12-54-LNG (2012).

Next steps for detailed engineering and construction include finalizing contracting plans and selecting one or more primary contractor(s). SLNG and ELC anticipate placing both phases of the Elba Liquefaction Project in service in 2017 for Shell NA LNG LLC which has fully subscribed for the liquefaction service for a 20 year term to be utilized in its global LNG portfolio.

Please let the undersigned know if you have any questions regarding this report.

Very truly yours,

A handwritten signature in blue ink that reads "Margaret G. Coffman". The signature is written in a cursive style.

Margaret G. Coffman
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cc: Larine Moore (larine.moore@hq.doe.gov)