

April 1, 2016

## VIA EMAIL - fergas@hq.doe.gov

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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: fergas@hq.doe.gov

Re: Southern LNG Company, L.L.C.

DOE Semi-Annual Report No. 8

DOE/FE Order No. 3106 – FE Docket No. 12-54-LNG

To: Office of Natural Gas Regulatory Activities

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"). 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 October 1, 2015 through March 31, 2016.

Development activities continue to progress. As stated in previous reports, SLNG and Elba Liquefaction Company, L.L.C. ("ELC") filed their application with the Federal Energy Regulatory Commission ("FERC") for NGA Section 3 authority to construct and operate the liquefaction project on March 10, 2014. On February 5, 2016, the staff of the FERC issued an Environmental Assessment ("EA") for the Elba Liquefaction Project. The EA concludes that approval of the Project, with the appropriate mitigation measures described in the EA, would not constitute a major federal action significantly affecting the quality of the human environment. DOE, U.S. Department of Transportation, and U.S. Coast Guard participated as cooperating agencies in the preparation of the EA.

SLNG and ELC executed the Engineering, Procurement and Construction contract for the Elba Liquefaction Project on March 30, 2016 with IHI E&C International Corporation. SLNG and ELC anticipate production from the Elba Liquefaction Project in the first part of 2018 for

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<sup>&</sup>lt;sup>1</sup> 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).

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,

Margaret G. Coffman Assistant General Counsel

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