



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

March 31, 2017

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VIA EMAIL – fergas@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: fergas@hq.doe.gov

Re: Southern LNG Company, L.L.C.
DOE Semi-Annual Report No. 10
DOE/FE Order No. 3106 – FE Docket No. 12-54-LNG
DOE/FE Order No. 3956 – FE Docket No. 12-100-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 to any country with which the United States has, or in the future may enter into a Free Trade Agreement (“FTA Order”).¹ Additionally, on December 16, 2016, DOE/FE issued an order in Docket No. 12-100-LNG authorizing SLNG to export domestically produced LNG by vessel to non-FTA countries up to a volume equivalent (“Non-FTA Order”).² Paragraph (I) of the FTA Order and Paragraph O of the Non-FTA Order require 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, 2016 through March 31, 2017.

As stated in our previous report, on June 1, 2016, FERC issued the Order Granting Section 3 and Section 7 Authorizations (“FERC Order”). The FERC Order authorizes SLNG and Elba Liquefaction Company, L.L.C. (“ELC”) to construct, modify and operate the Elba Liquefaction Project at the existing Elba Island Terminal subject to conditions provided in Appendix B to the FERC Order. On June 27, 2016, ELC and SLNG filed their Implementation Plan with FERC (“June 27 IP”) pursuant to Condition 8 of Appendix B to the FERC Order. ELC and SLNG continued to file additional information to supplement the June 27 IP. SLNG and

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).

² DOE/FE, Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal in Chatham County, Georgia to Non-Free Trade Agreement Nations DOE/FE Docket No. 12-100-LNG (2016).

ELC also continued to respond to engineering data requests from FERC staff to further facilitate FERC's review and processing of the June 27 IP. ELC and SLNG received authorization to commence initial site preparation and other activities as further described in letter orders dated October 17, 2016, October 26, 2016, November 8, 2016, December 6, 2016, December 22, 2016, and January 27, 2017.

IHI E&C International Corporation, the EPC Contractor, commenced initial site preparation activities at Elba Island on November 1, 2016 and construction is in progress. The South Channel Barge Dock refurbishment, dredging and pile installation was completed on November 14, 2016 and the facility was recommissioned for barging equipment and materials for the Elba Liquefaction Project. Grading activities, pile installation, and foundation construction for the Movable Modular Liquefaction System units and ancillary facilities are underway. The electrical service provider has commenced construction of utility power poles, conductors, and the new permanent substation.

SLNG and ELC anticipate production from the Elba Liquefaction Project in mid-2018 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. Also, as reflected in the updated Summary of the Long Term Contract Associated with Export submitted on March 10, 2017, SLNG advises DOE that a related investment company of EIG Global Energy Partners Investment Funds purchased a 49% equity interest in ELC (the liquefaction facility owner) from Kinder Morgan, Inc. on February 28, 2017. SLNG continues to be a wholly-owned subsidiary of Kinder Morgan, Inc.

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

Very truly yours,



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