



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

October 1, 2018

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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. 12
DOE/FE Order No. 3106 – FE Docket No. 12-54-LNG
DOE/FE Order No. 3956 – FE Docket No. 12-100-LNG
DOE/FE Order No. 4206 – FE Docket No. 18-15-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 March 30, 2018 through September 30, 2018.

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

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).

8 of Appendix B to the FERC Order. ELC and SLNG continued to file additional information to supplement the June 27 IP. SLNG and 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. In addition to the authorizations described in previous reports, ELC and SLNG received authorization to construct the balance of plant and terminal upgrade facilities and other activities as further described in letter orders dated October 4, 2017, October 16, 2017, December 11, 2017, January 8, 2018, January 16, 2018, January 24, 2018, February 6, 2018, April 9, 2018, April 30, 2018, and July 24, 2018. On July 6, 2018, in DOE/FE Order No. 4206, SLNG received short-term, blanket authorization to export up to 255 billion cubic feet of LNG, prior to the commencement of commercial operation, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, whether or not the country has a Free Trade Agreement with the United States requiring national treatment for trade in natural gas.³

IHI E&C International Corporation, the EPC Contractor, has continued pile installation and foundation construction for the MMLS units and ancillary facilities. MMLS equipment and auxiliary facilities continues to be set and installed. Construction of the Storm Surge Wall also continues. The EPC Contractor continues to install piping. Commissioning of electrical and instrumentation for the MMLS units and the new Control Room Equipment has begun.

SLNG and ELC anticipate first production from the Elba Liquefaction Project in the fourth quarter of 2018 ramping up to full production by the end of 2019 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,



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³ DOE/FE, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal in Chatham County, Georgia to Free Trade Agreement and Non-Free Trade Agreement Nations DOE/FE Docket No. 18-15-LNG (2018).