



**LAKE CHARLES LNG EXPORT COMPANY**  
An ENERGY TRANSFER Company

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By DOE at 12:20 pm, Apr 01, 2016

April 1, 2016

**VIA ELECTRONIC MAIL**

U.S. Department of Energy (FE-34)  
Office of Fossil Energy  
Office of Natural Gas Regulatory Activities  
Attn: Natural Gas Reports  
P.O. Box 44375  
Washington, D.C. 20026-4375

Re: Lake Charles LNG Export Company, LLC  
FE Docket No. 13-04-LNG  
DOE/FE Order No. 3252  
Lake Charles LNG Terminal  
Semi-Annual Report

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order No. 3252 issued March, 7, 2013, Lake Charles LNG Export Company, LLC submits the semi-annual report as required by ordering paragraph I describing the progress of the proposed liquefaction facility project at the Lake Charles Terminal.

Any questions concerning this filing should be addressed to the undersigned at (713) 989-2024.

Respectfully,

LAKE CHARLES LNG EXPORT COMPANY, LLC

*/s/ Stephen T. Veatch*

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Stephen T. Veatch  
Senior Director, Certificates

**Lake Charles LNG Export Company, LLC**  
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**Regulatory**

Lake Charles LNG Export Company, LLC (“LCL”), formerly known as Trunkline LNG Export, LLC (“TLNG Export”), filed its Application with the Federal Energy Regulatory Commission (“FERC”) on March 25, 2014, for the LNG terminal facilities and the docket number assigned is CP14-120-000.

Activities since the last report are as follows:

On September 28, 2015; U.S. Environmental Protection Agency submitted comments on the FERC FEIS.

On October 26, 2015; LCL submitted its Request for Issuance of Authorizations.

On December 8, 2015; LCL submitted the Draft Implementation Plan.

On December 17, 2015; FERC issued the Order [153 FERC ¶ 61,300] Granting Section 3 and Section 7 Authorizations and Approving Abandonment.

On December 18, 2015; LCL submitted the Acceptance of the Order.

On December 21, 2015; LCL submitted the Implementation Plan, including Request to commence tree clearing and perform test piles.

On January 12, 2016; LCL submitted Supplemental Information to the Implementation Plan.

On January 19, 2016; Sierra Club submitted a Request for Rehearing of the Dec. 17 Order.

On February 1, 2016; FERC issued an Implementation Plan Data Request.

On February 16, 2016; LCL submitted Responses to the Implementation Plan Data Request and Supplemental Responses to Environmental Conditions.

On February 16, 2016; FERC issued an Order granting rehearing [of the Dec. 17 Order] for further consideration.

On February 22, 2016; LCL submitted Supplemental Information to the Implementation Plan.

On February 23, 2016; FERC issued a Letter Order granting Dec. 21 Request to begin pre-construction tree clearing.

On February 24, 2016; LCL submitted Supplemental Information to the Implementation Plan.

On February 26, 2016; FERC issued a Letter Order granting Dec. 21 Request to proceed with test piles.

On February 29, 2015, LCL began tree clearing at the Liquefaction Facility Site.

On March 28, 2016; LCL submitted Supplemental Information to the Implementation Plan.

**Engineering**

An Invitation to Tender was issued to three EPC contractor consortia. Bids were received and evaluated. One of the three consortia was eliminated from consideration. The remaining two consortia are going through a terms review and bid revalidation process.

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**Environmental**

Louisiana Department of Environmental Quality (LDEQ) issued a corrected Water Quality Certification (WQC) on January 8, 2016.

LCL received concurrence on the Noxious Weed Management Plan from the Natural Resources Conservation Service (NRCS) on January 25, 2016.

LCL received clearance from the USFWS on January 29, 2016 to conduct tree clearing after March 1st.

LCL received USACE Individual Permit MVN-2014-01575-MB on February 19, 2016.

LCL received clearance on March 1, 2016 from the Louisiana Department of Wildlife and Fisheries (LDWF) to conduct tree clearing after March 1st.

**Status of Long-Term Contracts Associated with the Facility**

LCL currently has option agreements in place for the purchase/lease of all property comprising the Liquefaction Project and the agreements were finalized and executed during this reporting period. LCL exercised their option to purchase approximately 80 acres from Reynolds Metals Company and that purchase closed on June 25, 2015.

LCL, Trunkline LNG Company, LLC (“TLNG” and now Lake Charles LNG Company, LLC or “LCLNG” pursuant to the name change), Trunkline Gas Company, LLC (“Trunkline Gas”), BG LNG Services, LLC (“BGLS”) and BG Energy Merchants, LLC (“BGEM”) entered into a Project Development Agreement to jointly develop the Liquefaction Project.

Definitive agreements to implement the Liquefaction Project remain under development. LCL and LCLNG will own and LCL will finance the Liquefaction Project, and BGLS will have a long-term tolling agreement with LCL for liquefaction, storage, and loading service. LCL and LCLNG will enter into an agreement pursuant to which LCLNG will provide storage and loading services to LCL to facilitate LCL’s tolling agreement with BGLS. BGLS, through a wholly-owned subsidiary, will oversee the design and construction management of the proposed Liquefaction Project and operate the Liquefaction Project and the existing LNG Terminal.

To allow BGLS’s sourcing of natural gas for the project, Trunkline Gas will provide pipeline transportation services to supply natural gas to the Liquefaction Project to BGLS’s affiliate, BGEM. Trunkline Gas and BGEM signed a Pipeline Precedent Agreement on February 25, 2014 regarding the scope and construction of the pipeline facilities and the rate to be paid by BGEM when service commences. An Additional Pipeline Facilities Agreement to establish certain rights between the parties with respect to further extension, expansion or modification of the TGC interstate pipeline system remains under development.

**Date Facility is expected to Be Operational**

The first train is expected to be operational in early 2021.

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**Name Change**

On October 10, 2014, LCL filed a request in the above referenced Docket/Order requesting the DOE/FE take the following action:

- With respect to Order No. 3252, issue an order amending the Order No. 3252 authorization to reflect the name change; and
- With respect to the pending non-FTA application in Docket No. 13-04-LNG, accept the notice as an amendment to the pending application to reflect the name change.

The DOE/FE authorization has been granted.

**Change of Control**

On April 8, 2015, Royal Dutch Shell plc (“Shell”) announced a cash and share offer to be made by Shell for the entire issued and to be issued share capital of BG Group plc, the ultimate parent company of BGLS, which owns 80% of the membership interests in Lake Charles Exports, LLC. The transaction closed on February 15, 2016.

**Parent Company Business Combination Transaction**

On September 28, 2015, Energy Transfer Equity, L.P. (“ETE”) and The Williams Companies, Inc. (“WMB”) announced a business combination transaction valued at approximately \$37.7 billion, including the assumption of debt and other liabilities. The business combination between ETE and WMB was approved by the Boards of Directors of both entities. The combination will also benefit customers by enabling further investments in capital projects and efficiencies that would not be achievable absent the transaction. ETE currently owns a 100% interest in Lake Charles LNG Company, LLC and a 60% interest in Lake Charles LNG Export Company, LLC. Trunkline LNG Holdings LLC continues to own a 20% of the membership interests in Lake Charles Exports, LLC, with BG LNG Services, LLC holding the remaining 80%.