



LAKE CHARLES LNG EXPORT COMPANY
An ENERGY TRANSFER Company

October 3, 2016

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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 Nos. 3252 and 3868
Lake Charles LNG Terminal
Semi-Annual Report

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order Nos. 3252 and 3868 issued March, 7, 2013 and July 29, 2016, respectively, Lake Charles LNG Export Company, LLC submits the semi-annual report as required by ordering paragraphs I and O, respectively, 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

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 March 29, 2016; FERC Contractor issued a Field Inspection Report - No instances of noncompliance or problem areas were identified.

On April 5, 2016; LCL submitted Monthly Status Report No. 1.

On May 4, 2016; LCL submitted Monthly Status Report No. 2.

On June 6, 2016; LCL submitted Monthly Status Report No. 3.

On May 25, 2016; FERC Contractor issued a Field Inspection Report - No instances of noncompliance or problem areas were identified.

On June 30, 2016; FERC issued an Order Denying Rehearing re Sierra Club (155 FERC ¶ 61,328).

On July 7, 2016; LCL submitted Monthly Status Report No. 4.

On July 8, 2016; LCL submitted a Supplement to the Implementation Plan / Request for Variance Authorization to Relocate/Replace Communication Facilities.

On July 15, 2016; FERC issued a Letter Order granting the July 8, 2016 request for variance approval.

On August 4, 2016; LCL submitted Monthly Status Report No. 5.

On September 9, 2016; LCL submitted Monthly Status Report No. 6.

Engineering

Work continues with two bidding consortia to do further engineering and risk reduction work and there have been further reviews of the EPC terms and conditions in preparation for a bid revalidation process. Engineering work for the relocation of the Communications Facilities has been completed.

Environmental

No updates at this time.

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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 2021.

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. This transaction has been terminated.