



RECEIVED DOE/FE via Email
By DOE at 11:43 am, Mar 31, 2017

March 31, 2017

U.S. Department of Energy (FE-34)
Office of Fossil Energy
Office of Oil and Gas Global Security and Supply
P.O. Box 44375
Washington, D.C. 20026-4375
Attention: Natural Gas Reports

**Re: Dominion Cove Point LNG, LP
DOE/FE Order No. 3331-A, under FE Docket No. 11-128-LNG
Order Condition O – Semi-Annual Report**

By Order No. 3331-A (Order) dated May 7, 2015, the U.S. Department of Energy, Office of Fossil Energy (DOE/FE) authorized Dominion Cove Point LNG, LP (DCP) to export liquefied natural gas (LNG) in a volume equivalent to 0.77 billion cubic feet of natural gas per day (Bcf/d) (281 Bcf per year (Bcf/yr)) for a 20-year term.

As required under Ordering Paragraph O, DCP hereby submits a semi-annual report regarding the progress of its proposed Cove Point Liquefaction Project (Project).

a) Progress of the Project:

- On September 29, 2014, the Federal Energy Regulatory Commission (FERC) issued its Order Granting Section 3 and Section 7 Authorizations for the Project in its Docket No. CP13-113. *Dominion Cove Point LNG, LP*, 148 FERC ¶ 61,244 (2014). On November 13, 2014, FERC granted rehearing of that order for the limited purpose of further consideration, with the filed rehearing requests to be addressed in a future order.
- On October 1, 2014, DCP filed with FERC its Implementation Plan for the Project to address the environmental conditions imposed by FERC, in FERC Docket No. CP13-113.
- On November 5, 2014, DOE/FE issued its determination that granting DCP's application for authority to export LNG to non-free trade countries, subject to the conditions imposed in FERC's Order, will not have a significant effect on the environment.
- DCP has submitted to FERC 32 Volumes and 50 Supplements to the Implementation Plan between the dates of October 2, 2014 and March 31, 2017.

- FERC has issued 16 formal Post Order Data Requests between the dates of October 29, 2014 and March 31, 2017. DCP has responded to all of these Data Requests.
- FERC has issued 59 Notices to Proceed with Construction of specific areas between the dates of October 3, 2014 and March 31, 2017.
- In accordance with FERC's Notices to Proceed, DCP commenced construction of authorized activities in Calvert County, Maryland, at "Offsite Area A" on October 7, at "Offsite Area B" on October 17, at its LNG Terminal on October 29, 2014, and at the Pleasant Valley Compressor Station on December 2, 2015.
- DCP will continue to submit Monthly Activity Reports to the FERC until the completion of construction of the Project.
- On November 23, 2016, DCP submitted to DOE/FE an application for blanket authorization to export LNG of up to the equivalent of 250 Bcf of natural gas prior to the commencement of commercial operation of the Project. This requested authorization for Commissioning Volumes addresses exports to both countries with which the U.S. has a free trade agreement and those with which it does not. The requested authorization also would allow for the export of both domestically produced gas and gas that was previously imported as LNG.

b) Construction Progress of the Project:

Cove Point Liquefaction Project Construction Progress Report for Single Train during the Period: October 1, 2016 through March 31, 2017	
Area	Comments
Power Block	<ul style="list-style-type: none"> • All process equipment has been installed, • Installation of piping connections, instrumentation and cable terminations ongoing. • Continue pipe testing on propane and MR systems. • Lube oil flushes for the STG, gas turbine, and crystallizer equipment. • Continuation of insulation installation and coatings. • Continuation of fire water system flushes. • Continue to work on completion of punch list items. • Commissioning activities have commenced for the following systems: <ul style="list-style-type: none"> – Instrument air compression and building (completed)

<p align="center">Cove Point Liquefaction Project</p> <p align="center">Construction Progress Report for Single Train during the Period: October 1, 2016 through March 31, 2017</p>	
Area	Comments
	<ul style="list-style-type: none"> – Demineralized water treatment (completed) – DCS loop checks to/from substations 17, 22, 23, and auxiliary boilers/equipment. – Fire water diesel pumps – Waste water treatment – Auxiliary boilers – ACC cooling fans
Liquefaction	<ul style="list-style-type: none"> • Installation of all process equipment, with the exception of 10 low pressure MR Compressor after cooler air cooled heat exchangers (ACHE's) and the LNG sump pumps is complete. Installation of piping connections, instrumentation and cable terminations ongoing, including in the lean gas booster compressor building, fuel/flash gas compressor building, and pipe racks. • Continuation of fire proofing, insulation installation, and coatings. • Continuation of fitting and welding/bolt-ups in pipe racks. • Insulation of the propane suction drum receiver has been completed while the propane/mixed refrigerant coolers are ongoing. • Continue pipe testing.
Pre-treatment	<ul style="list-style-type: none"> • All process equipment has been installed with installation of piping connections, instrumentation and cable terminations ongoing. • Installation of cable tray and instrumentation throughout the area of Pre-treatment. • Continue pipe testing.

c) Date the Project is expected to be operational:

DCP proposes to construct the Project in order to meet a targeted in-service date of late 2017.

d) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:

- On May 2, 2013, DCP filed an update with the DOE/FE regarding signed LNG Export Contracts. This update informed DOE/FE that DCP had executed terminal service agreements (TSAs) with two customers, each of which will contract for 50 percent of the available capacity. The two customers are (1) Pacific Summit Energy LLC (PSE), which is a U.S. subsidiary of Sumitomo Corporation, a Japanese corporation that is one of the world's leading trading companies, and (2) GAIL Global (USA) LNG LLC (GGULL), which is a U.S. subsidiary of GAIL (India) Limited, the largest natural gas processing and distribution company in India.
- On March 13, 2014, Pacific Summit Energy LLC assigned its TSA with DCP to ST Cove Point LLC (STCP), a joint venture formed by PSE and Tokyo Gas America, Ltd.
- On December 30, 2014, GGULL filed with DOE/FE an executed Gas Sale and Purchase Agreement with WGL Midstream, Inc. for the long-term supply of natural gas to be liquefied at the Project. GGULL submitted a non-redacted copy of the Agreement under seal, with a request for confidential treatment, as well as a summary of the major provisions of the Agreement to be made available in the public file.
- On March 14, 2016, DCP and STCP entered into an Amended and Restated Terminal Service Agreement (Amended and Restated TSA). None of the major terms of the original Terminal Service Agreement with PSE were changed by this agreement, other than the identity of the customer.
- On April 12, 2016, DCP filed with DOE/FE, on a confidential basis under seal, a full copy of the Amended and Restated TSA, along with a summary for public posting of the major non-propriety provisions of the Amended and Restated TSA. In the same filing, DCP also submitted the information necessary to register STCP as an entity for which DCP will utilize its authorization to export LNG.
- Also on April 12, 2016, STCP filed with DOE/FE, on a confidential basis under seal, a full copy of the Gas Sale and Purchase Agreement, dated as of March 14, 2016, by and between STCP and PSE, along with a summary for public posting of the major provisions of that agreement. STCP also filed with DOE/FE, on a confidential basis under seal, a full copy of the LNG Sale and Purchase Agreement, dated as of March 14, 2016, by and between STCP and TG Plus Co., Ltd., along with a summary for public posting of the major provisions of that agreement.
- On May 23, 2016, DCP filed with DOE/FE the information necessary to register GGULL as an entity for which DCP will utilize its authorization to export LNG.

- On July 29, 2016, STCP filed with DOE/FE, on a confidential basis under seal, a full copy of the Amended and Restated LNG Sale and Purchase Agreement, dated as of July 25, 2016, by and between STCP and PSE, along with a summary for public posting of the major provisions of that agreement.

If you have any questions, please contact me at 804-771-4796.

Respectfully submitted,

/s/ Deborah T. Gholson

Deborah T. Gholson
Gas Transmission Certificates Program Manager