



**Dominion Energy Cove Point LNG, LP**  
707 East Main Street, Richmond, VA 23219

September 29, 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 Energy 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 Energy Cove Point LNG, LP<sup>1</sup> ("Dominion Energy" or "Cove Point") 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, Cove Point 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 May 4, 2015 FERC issued an Order denying Rehearing and Stay.
- On October 1, 2014, Cove Point filed with FERC its Implementation Plan for the Project to address the environmental conditions imposed by FERC, in FERC Docket No. CP13-113.

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<sup>1</sup> On May 12, 2017 Dominion Cove Point LNG, LP changed its name to Dominion Energy Cove Point LNG, LP. On August 4, 2017, the DOE granted Cove Point's request to amend the specified authorizations to reflect its corporate name change. *DOE/FE Order No. 3331-C*.

- On November 5, 2014, DOE/FE issued its determination that granting Cove Point'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.
- Cove Point has submitted to FERC 32 Volumes and 57 Supplements to the Implementation Plan between the dates of October 2, 2014 and September 29, 2017.
- FERC has issued 16 formal Post Order Data Requests between the dates of October 29, 2014 and September 29, 2017. Cove Point has responded to all of these Data Requests.
- FERC has issued 64 Notices to Proceed with Construction of specific areas between the dates of October 3, 2014 and September 29, 2017.
- In accordance with FERC's Notices to Proceed, Cove Point 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.
- Cove Point will continue to submit Monthly Activity Reports to the FERC until the completion of construction of the Project.
- On November 23, 2016, Cove Point 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. On June 2, 2017, the DOE issued DOE/FE Order No. 4046 granting blanket authorization to export a volume of 250 Bcf/year on a cumulative basis of Commissioning Volumes of liquefied natural gas and/or LNG previously imported by vessel to both FTA and non-FTA counties on a non-additive basis.

**b) Construction Progress of the Project:**

<b>Cove Point Liquefaction Project</b> Construction Progress Report for Single Train during the Period: April 1, 2017 through September 29, 2017	
Area	Comments
<b>Power Block</b>	Construction activities continue in the following areas: <ul style="list-style-type: none"> <li>- Site work including grading, drainage and paving</li> <li>- Completion of punch list items</li> </ul> The following equipment and supporting systems are in operation: <ul style="list-style-type: none"> <li>- Water Treatment Plant</li> <li>- Diesel Fire Water Pumps</li> <li>- Condensate and Feedwater Systems</li> <li>- Auxiliary Boilers</li> <li>- Steam Turbine Generators</li> <li>- Air Cooled Condensers</li> </ul> Commissioning activities continue in the following areas: <ul style="list-style-type: none"> <li>- Tuning operating systems</li> <li>- Auxiliary Boiler Selective Catalytic Reduction System</li> </ul>
<b>Liquefaction</b>	Construction activities continue in the following areas: <ul style="list-style-type: none"> <li>- Compressor String dry gas seals, hubs and couplings</li> <li>- Final piping welds and bolt ups</li> <li>- Insulation of vessels and piping</li> <li>- Lighting and Heat Tracing</li> <li>- Site work including grading, drainage and paving</li> </ul> Commissioning activities continue in the following areas: <ul style="list-style-type: none"> <li>- Firing Combustion Turbines and HRSG steam blows</li> <li>- Piping system tightness testing and dry out</li> <li>- Flash Gas and Fuel Gas Compressor motor runs</li> </ul>
<b>Pre-treatment</b>	Construction activities continue in the following areas: <ul style="list-style-type: none"> <li>- Final piping welds and bolt ups</li> <li>- Insulation of vessels and piping</li> <li>- Lighting and Heat Tracing</li> <li>- Site work including grading, drainage and paving</li> </ul> Commissioning activities continue in the following areas: <ul style="list-style-type: none"> <li>- Thermal Oxidizer first fire and steam blows</li> <li>- North and South Flare</li> <li>- Ethane, Propane and Condensate Storage Area</li> <li>- Equipment lube oil flushes</li> <li>- Amine System flushing and filling</li> <li>- Piping system tightness testing and dry out</li> </ul>

**c) Date the Project is expected to be operational:**

Cove Point 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, Cove Point filed an update with the DOE/FE regarding signed LNG Export Contracts. This update informed DOE/FE that Cove Point 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 Cove Point 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, Cove Point 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, Cove Point 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, Cove Point also submitted the information necessary to register STCP as an entity for which Cove Point 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, Cove Point filed with DOE/FE the information necessary to register GGULL as an entity for which Cove Point 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.
- On September 25, 2017, GGUL filed with DOE/FE, on a confidential basis under seal, a copy of the LNG Sale and Purchase Agreement and a summary of major provisions of the agreement for public posting.

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