



LAKE CHARLES LNG EXPORT COMPANY
An ENERGY TRANSFER Company

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September 29, 2015

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

Stephen T. Veatch
Senior Director, Certificates

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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 April 10, 2015; FERC issued the Draft Environmental Impact Statement (“DEIS”) for the project, addressing the potential environmental effects of the construction, modification, and operation of the certain project facilities, with comments due on or before June 1, 2015.

On May 7, 2015; FERC published its Transcript of the May 7, 2015 DEIS Comment Meeting, held in Sulphur, Louisiana.

On May 7, 2015; FERC issued its Letter to the National Marine Fisheries Service requesting an essential fish habitat consultation.

On May 7, 2015; FERC issued its Letter to the U.S. Fish and Wildlife Service regarding Lake Charles Liquefaction Project, Section 7 Consultation.

On May 12, 2015: LCL submitted supplemental responses to Environmental Data Request, and Revised Resource Report 9 (Air Quality).

On May 14, 2015: LCL submitted responses to Certain Mitigation Conditions Recommended by FERC Staff in the DEIS.

On May 18, 2015: Margret Kuttner et al submitted comments on the FERC DEIS.

On May 22, 2015: LCL submitted responses to Certain Mitigation Conditions Recommended by FERC Staff in the DEIS.

On May 29, 2015; Sierra Club submitted comments on the FERC DEIS.

On May 29, 2015; Magnolia LNG LLC submitted comments on the FERC DEIS.

On June 1, 2015: LCL submitted supplemental response to a Certain Mitigation Condition Recommended by FERC Staff in the DEIS.

On June 1, 2015; U.S. Department of the Interior submitted comments on the FERC DEIS.

On June 2, 2015; National Oceanic and Atmospheric Administration submitted comments on the FERC DEIS.

On June 2, 2015; Sierra Club submitted its CD-Rom containing comments on the FERC DEIS.

On June 4, 2015; Louisiana Department of Wildlife and Fisheries submitted comments on the FERC DEIS.

On June 8, 2015: LCL submitted supplemental response to a Certain Mitigation Condition Recommended by FERC Staff in the DEIS.

On June 9, 2015; U.S. Environmental Protection Agency submitted comments on the FERC DEIS.

On June 12, 2015; LCL submitted Answer to Sierra Club DEIS comments.

On June 18, 2015; FERC issued an Environmental Data Request.

On June 29, 2015: LCL submitted responses to Environmental Data Request.

On June 30, 2015: LCL submitted supplement to responses to Environmental Data Request.

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On July 24, 2015: LCL submitted supplement to responses to Environmental Data Request.

On July 27, 2015: LCL submitted supplement to responses to Environmental Data Request.

On July 30, 2015: US Fish and Wildlife Service submitted response to FERC Request for concurrence for the red-cockaded woodpecker.

On August 3, 2015: LCL submitted supplemental response to a Certain Mitigation Condition Recommended by FERC Staff in the DEIS.

On August 14, 2015; FERC issued the Final Environmental Impact Statement (“FEIS”) for the project, addressing the potential environmental effects of the construction, modification, and operation of the certain project facilities.

On September 1, 2015; Louisiana Department of Wildlife and Fisheries submitted comments on the FERC FEIS.

LCL anticipates that FERC authorization for the Lake Charles Liquefaction Project will be issued in the 4th quarter of 2015.

Engineering

Technip has completed the FEED. 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.

Environmental

Environmental has completed the responses to the remaining FERC data requests. The Final Environmental Impact Statement was issued by the FERC on August 14, 2015.

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.

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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 mid-2020.

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 authorization requested from the DOE/FE is pending.

Potential 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. Pending the approval of certain regulatory bodies and the consenting vote of the shareholders of Shell and BG, the transaction is expected to close in the first quarter of 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 create the third largest energy franchise in North America and one of the five largest global energy companies. 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 the remaining 20% of the membership interests in LCE.