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December 30, 2016

Via Electronic Filing and USPS

Tennessee Regulatory Authority
c/o Sharla Dillon, Dockets and Records Manager
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

Re: ***In the Matter of the Petition of Plains and Eastern Clean Line LLC for a Certificate of Convenience and Necessity Approving a Plan to Construct a Transmission Line and to Operate as an Electric Transmission Public Utility***
Docket No. 14-00036

Dear Ms. Dillon:

We are enclosing the original plus four (4) copies of the Plains and Eastern Clean Line LLC's Semi-Annual report requested by the Tennessee Regulatory Authority in its Order of May 5, 2015 in the above-referenced docket. This is the fourth Semi-Annual Report filed by Plains and Eastern Clean Line.

If further information is needed from us or from Plains and Eastern Clean Line, please let us know.

Sincerely yours,

Larry L. Cash

LLC:cjb

Enclosure

cc: Cary Kottler, Esq.
Erin Szalkowski, Esq.
Mark W. Smith, Esq.

Plains and Eastern Clean Line LLC
Semi-Annual Report
December 29, 2016

In its May 5, 2015 Order in Docket No. 14-00036, the Tennessee Regulatory Authority (“TRA”) directed Plains and Eastern Clean Line LLC (“Plains and Eastern”), a wholly owned subsidiary of Clean Line Energy Partners LLC (“Clean Line”), to provide semi-annual reports to the TRA, beginning July 1, 2015. This is Plains and Eastern’s fourth such report regarding the overall status of the Plains & Eastern Clean Line (the “Project”) in Tennessee.

SEMI-ANNUAL REPORT:

1. DOE Review pursuant to Section 1222 of the Energy Policy Act of 2005

In March 2016, the United States Department of Energy (“DOE”) DOE issued a Record of Decision “ROD” regarding the Project. Based on its analysis, DOE determined that the Project merits DOE’s participation in the development of high-voltage direct current electric transmission facilities and related facilities from western Oklahoma to the eastern state-line of Arkansas near the Mississippi River. In its summary of findings, the DOE found that “the project as proposed will serve the public interest by facilitating renewable energy development, stimulating economic development, generating revenues for needed public investment, and doing so while minimizing impacts to landowners and the natural environment.” Concurrent with the issuance of the ROD, DOE, and certain affiliates of Clean Line executed a Participation Agreement, which outlines the roles of Clean Line’s affiliates and DOE in the Project as well as protections for landowners and local communities.¹

2. Shelby County Converter Station Construction

Clean Line has entered into an agreement with General Electric, who has been selected as the exclusive provider of the HVDC converter stations for the Project, including a converter station in Shelby County. Construction on the Shelby County converter station is scheduled to begin in the second half of 2017. The HVDC converter station and the portion of the Project’s HVDC transmission line in Shelby and Tipton County represents an approximately \$300 million investment in western Tennessee.

3. TVA Interconnection Process

Since the date of the last report, TVA has completed a Facilities Study Report to support Plains and Eastern’s interconnection request. The Facilities Study Report includes the detailed engineering for the upgrades TVA has identified for the interconnection of the Project to the TVA system and provides a schedule for the completion of the upgrades necessary for operation in advance of the Project’s in-service date. The next step is for Clean Line to negotiate and execute an Interconnection Agreement with TVA, which Clean Line intends to do in 2017. Concurrent with this negotiation, Clean Line is discussing with TVA execution of Project Work Agreements that would allow TVA to commence work on specific upgrades in advance of finalization of the Interconnection Agreement.

¹ The Summary of Findings and the Participation Agreement are available at <http://energy.gov/oe/services/electricity-policy-coordination-and-implementation/transmission-planning/section-1222-0>.

4. Routing and Easements with Property Owners in Tennessee

Since the date of the last report, two additional easements have been signed, resulting in signed easement agreements with owners of 43 out of the 50 parcels on which easements will be required for the transmission line in Tennessee. As a result of discussions and agreements with landowners, Clean Line is currently evaluating a few minor deviations from the proposed right-of-way for the transmission line in Tennessee since it was filed with the Tennessee Regulatory Authority. Negotiations continue with landowners representing the remaining seven parcels.

5. Financing

Project costs continue to be funded through direct equity investments in Clean Line, Plains and Eastern's parent company. The owners of Clean Line remain unchanged since the last report. One of those owners, an affiliate of Bluescape Resources ("Bluescape"), recently completed an additional \$40 million preferred equity investment transaction with Clean Line. In connection with this transaction and its additional equity ownership in Clean Line, Bluescape has obtained additional voting rights on Clean Line's Board, and the Bluescape designees hold a majority of the votes on the Clean Line Board.