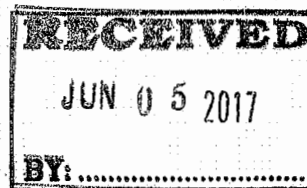




Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, Texas 77002
phone: 713.375.5000
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June 1, 2017

Mr. Jon Manning
Acting Director, Southwest Region
U.S. Department of Transportation - PHMSA
8701 South Gessner, Suite 630
Houston, Texas 77074

Re: Corpus Christi Liquefaction, LLC
Operator ID No. 39501
Response to Warning Letter CPF 4-2017-3004W

Dear Mr. Manning:

On May 1, 2017, Corpus Christi Liquefaction, LLC ("CCL") received a Warning Letter dated April 10, 2017, (reference No. CPF 4-2017-3004W) ("Warning Letter") from the Pipeline and Hazardous Materials Safety Administration ("PHMSA") in regard to observations made during an inspection of the Corpus Christi Liquefaction facility on January 4, 2017, and following a review of documents provided to PHMSA on February 13, 2017. CCL respectfully disagrees with the conclusions of PHMSA's Warning Letter and requests a rescission of the letter for the reasons that follow.

PHMSA asserts that CCL failed to adequately conduct welder qualifications as required by ASME BPV Code, Section IX and did not ensure that the supplementary essential variable of heat input was followed during the welder qualification process. As explained below, we believe PHMSA has misread, and therefore misapplied, the regulatory standard applicable to Bechtel's work that is the subject of PHMSA's Warning Letter.

ASME distinguishes between standards for welder performance qualifications and standards for welding procedures. The welding performance qualifications are set out in ASME BPV Code, Section IX, Article QW-350 and specifically QW-356 for Gas Tungsten Arc Welding (GTAW). These performance qualifications, as reflected in Table QW-365, do not include the variable for heat input as either an essential variable or a supplemental variable. In contrast, ASME Table QW-256 identifies heat input as a supplemental variable for welding procedure qualification, as opposed to welding performance qualification. Furthermore, QW-484A "Suggested format for welder performance qualifications" (Appendix B, QW-301, Section IX, ASME BPV) lists the testing conditions and qualification limits for welder performance testing. Nowhere in the ASME supplied and recommended format does it mention monitoring voltage, amperage, and travel speed, nor the heat input. Bechtel has prepared a response, included here as Attachment A, which provides additional supporting and explanatory information. Also included as Attachment B are the tables included in the Bechtel letter.

Accordingly, for the reasons outlined above and included in the attached letter, CCL asserts that the Warning Letter does not properly reflect the applicable standard for the operations under consideration. Therefore, CCL respectfully requests a rescission of the Warning Letter.

If you have any questions, please feel free to contact me at (713) 375-5544.

Sincerely,

Karri Mahmoud
Director, Regulatory Project Development

cc: Terri Binns - U.S. Department of Transportation - PHMSA
Doug Shanda - Terminal Operations
Ed Lehotsky - Engineering and Construction