

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 20, 2017

Mr. Chad Zamarin
Vice President, Pipeline
Cheniere Corpus Christi Pipeline
700 Milam St, Suite 1900
Houston, TX 77002

CPF 4-2017-5026M

Dear Mr. Zamarin:

Between January 24 and February 24, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Cheniere's procedures for constructing the Corpus Christi Pipeline in San Patricio County, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Cheniere's procedures, as described below:

1. §192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

The Cheniere Field Bending and Alignment of Pipe Specification document number ES-PPL-7712-CU-0305 (Revision 0.1, 11/15/2016) does not provide adequate requirements for performing field bends of spiral seam pipe. Cheniere was found to be constructing the Corpus Christi Pipeline using spiral seam pipe but the specifications for bending did not address this type of pipe. Cheniere's procedure provides detailed specifications for bending longitudinal seam pipe but is silent on requirements for spiral seam pipe actually being used to construct the Corpus Christi Pipeline.

Some of the specifications that should be addressed in the Cheniere's procedure include

but no limited to: position of bending shoes, whether the bending shoes are permitted to press on the spiral weld-seam, the requirement for test bends, use of a mandrel, maintain the minimum wall thickness requirements after bending, presentation of the cross sectional shape, and no buckling, cracks or mechanical damage. Cheniere must amend its procedure to include the written specifications for bending spiral weld-seam pipe as required in §192.303.

2. §192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

The Cheniere Field Bending and Alignment of Pipe Specification document number ES-PPL-7712-CU-0305 (Revision 0.1, 11/15/2016) does not provide adequate requirements for offsetting the weld-seam for spiral weld-seam pipe. Cheniere was found to be constructing the Corpus Christi Pipeline using spiral seam pipe but the specifications for positioning the seams, when connecting, only addressed longitudinal strait seam pipe. Cheniere's procedure provides detailed specifications for offsetting longitudinal strait seam pipe but is silent on requirements for longitudinal spiral seam pipe being used to construct the Corpus Christi Pipeline. Cheniere must amend its procedure to include comprehensive specifications for offsetting the weld seams on spiral weld pipe as required by §192.303.

3. §192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

§192.163 Compressor stations: Design and construction.

(b) Building construction. Each building on a compressor station site must be made of noncombustible materials if it contains either—

(1) Pipe more than 2 inches (51 millimeters) in diameter that is carrying gas under pressure; or

(2) Gas handling equipment other than gas utilization equipment used for domestic purposes.

The Cheniere Compressor Building Specification document number ES-PPL-7718 does not state that buildings, on a compressor station site, must be made of noncombustible material. Cheniere must amend its procedure to require that all buildings on a compressor station site are made of noncombustible material as required by §192.163.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Cheniere maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to the Terri J. Binns, Acting Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-5026M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Jon Manning
Acting Director, Southwest
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*