



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

8701 S. Gessner, Suite 630  
Houston, TX 77074

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

September 7, 2018

Doug Shanda  
Senior Vice President, Operations  
Cheniere Corpus Christi Pipeline  
700 Milam St, Suite 1900  
Houston, TX 77002

**CPF 4-2018-1002**

Dear Mr. Shanda:

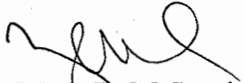
On April 16, 2018, Cheniere Corpus Christi Pipeline (CCCP) was issued an Amended Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice) for the case number referenced above. This Notice cited CCCP for failing to qualify welding procedures in accordance with 49 CFR § 192.225 and Section 5 of API Standard 1104, 20th edition (API 1104 or Standard), (incorporated by reference, *see* § 192.7); failing to adequately qualify welders in accordance with 49 CFR § 192.227 and Section 6 of API 1104; and failing to construct a pipeline facility according to written specifications by using an unqualified welding procedure and unqualified welders per your Welding Manual in accordance with 49 CFR § 192.303.

This letter is to inform you that PHMSA, Southwest Region is hereby withdrawing the Notice. PHMSA is not pursuing the Notice further because CCCP has fully complied with the Proposed Compliance Order in the Notice and there is no further safety concern regarding the welds on the Corpus Christi Pipeline. This case is now closed.

After extensive discussions with CCCP, PHMSA remains concerned about the company's application of Section 5 of API 1104 in this case. PHMSA intends to raise this issue with the API 1104 Committee and is considering taking other action to ensure that operators apply Section 5 of the Standard in a manner that PHMSA believes is consistent with the intent of API 1104 as well as sound engineering practices and pipeline safety.

If you have any questions, please contact me at (713) 272-2859.

Sincerely,



Mary L. McDaniel, P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

cc: Michael Weller, Senior Counsel, Cheniere Energy, Inc. (by e-mail)  
Susan Olenchuk, Counsel, Van Ness Feldman, LLP (by e-mail)