

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 14, 2018

Doug Shanda
Senior Vice President, Terminal Operations
Corpus Christi Liquefaction, LLC
700 Milam Street
Houston, Texas 77002

CPF 4-2018-3006W

Dear Mr. Shanda:

On July 17-20, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your LNG Liquefaction Facility in Corpus Christi, Texas.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violations is:

1. §193.2017 Plans and procedures

(a) Each operator shall maintain at each LNG plant the plans and procedures required for that plant by this part. The plans and procedures must be available upon request for review and inspection by the Administrator or any State Agency that has submitted a current certification or agreement with respect to the plant under the pipeline safety laws (49 U.S.C. 60101 et seq.). In addition, each change to the plans or procedures must be available at the LNG plant for review and inspection within 20 days after the change is made.

Corpus Christi Liquefaction, LLC failed to develop plans and procedures for the inspection of portable fire extinguishers. During the inspection, PHMSA requested to review the procedure for the inspection of portable fire extinguishers. The Operator stated that they did not have a procedure at the time of the inspection.

On August 21, 2017, an email was received from the Operator with a Fire Extinguisher Inspection Procedure Document Number GPP-GHX-00013 Revision 000 dated August 18, 2017 attached. The procedure was reviewed by the PHMSA inspectors and was found acceptable.

Failure to have a procedure resulted in portable fire extinguishers missing inspection tags, as well as tags indicating either no inspection had been done, or not done at the required frequency per NFPA-10-1998.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$76,352 for each violation may be imposed. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Corpus Christi Liquefaction, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2018-3006W**. 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).

Sincerely,

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