

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 4, 2019

Michael Sabel
Co-CEO and Co-Chairman
Venture Global Calcasieu Pass, LLC
1001 19th Street North
Arlington, Virginia 22209

CPF 4-2019-3004

Dear Mr. Sabel:

From March 19, 2019 through May 23, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the construction of your LNG facility in Cameron, Louisiana.

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 violation is:

1. §191.22 National Registry of Pipeline and LNG Operators

(a) OPID Request. Effective January 1, 2012, each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility LNG plant or LNG facility must obtain from PHMSA an Operator Identification Number (OPID). An OPID is assigned to an operator for the pipeline or pipeline system for which the operator has primary responsibility. To obtain an OPID, an operator must complete an OPID Assignment Request DOT Form PHMSA F 1000.1 through the National Registry of Pipeline and LNG Operators in accordance with §191.7.

(b) OPID validation. An operator who has already been assigned one or more OPID by January 1, 2011, must validate the information associated with each OPID through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov>, and correct that information as necessary, no later than June 30, 2012.

(c) Changes. Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

- (i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60-day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;**
- (ii) Construction of 10 or more miles of a new or replacement pipeline;**
- (iii) Construction of a new LNG plant or LNG facility; or**
- (iv) Construction of a new underground natural gas storage facility or the abandonment, drilling or well workover (including replacement of wellhead, tubing, or a new casing) of an injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility.**

Venture Global Calcasieu Pass, LLC (Venture Global) failed to request an Operator Identification Number (OPID) and notify PHMSA of construction for a new liquefied natural gas (LNG) plant prior to commencing work at the proposed site as required by 49 CFR § 191.22. On March 19, 2019, the Federal Energy Regulatory Commission (FERC) authorized Venture Global to commence full site preparation activities of the Calcasieu Pass Project.

On May 2, 2019, PHMSA informed Venture Global that it was required to request an OPID and file a notification of construction with PHMSA 60 days before commencing construction on its Calcasieu Pass LNG facility. The PHMSA correspondence provided information to the Operator to notify OPS of construction activities. Venture Global did not respond or request an OPID.

PHMSA inspectors conducted a site visit on May 23, 2019, and discovered that construction activities had commenced, despite Venture Global failing to request an OPID or notifying PHMSA of the construction.

Per 49 CFR § 191.22, operators must request an OPID and notify PHMSA that construction will commence no later than 60-days prior to the start of construction. Venture Global was therefore required to request an OPID and notify PHMSA of its planned construction no later than March 20, 2019, assuming that construction began on May 23, 2019. Venture Global failed to comply with either requirement as specified in § 191.22(a) and § 191.22(c), even after PHMSA’s email reminding it to request an OPID and notify PHMSA of the construction.

In order to commence this enforcement action, PHMSA has created OPID (40021) for Venture Global.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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 each violation involving LNG facilities, and additional penalty of not more than \$79,875 occurring on or after July 31, 2019 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$77,910 occurring on or after November 27, 2018 and before July 31,2019 may be imposed. For each violation involving LNG facilities occurring on or after November 2, 2018 and before November 27, 2018, an additional penalty of not more than \$76,352 may be imposed. For each violation involving LNG facilities occurring prior to November 2, 2015, an additional penalty of not more than \$75,000 may be imposed. For each violation involving LNG facilities occurring prior to November 2, 2015, an additional penalty of not more than \$75,000 may be imposed. Assessed a civil penalty of \$198,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$198,700

Proposed Compliance Order

With respect to item **1** pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Venture Global Calcasieu Pass, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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. All material you submit in response to this enforcement action may be 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, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2019-3004** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

cc: Robert Pender, Co-CEO and Co-Chairman, Venture Global Calcasieu Pass, LLC, 1001 19th Street North Arlington, Virginia 22209

Fory Musser, Senior Vice President, Development, Venture Global Calcasieu Pass, LLC, 1001 19th Street North, Arlington, Virginia 22209

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Venture Global a Compliance Order incorporating the following remedial requirements to ensure the compliance of Venture Global with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to failing to request an Operator Identification Number (OPID) and notify PHMSA of construction of a new LNG plant prior to commencing work at the proposed site as required by 49 CFR §191.22, Venture Global Calcasieu Pass, LLC must update its Operator Contact information with the correct contacts for DOT Compliance, the Emergency Contact 24-7, Normal Operations Contact 24-7, the Executive, NPMS and User Fee no later than 10 days after the final order. The OPID assigned by PHMSA is 40021.
2. In regard to Item Number 1 of the Notice pertaining to failing to request an Operator Identification Number (OPID) and notify PHMSA of construction of a new LNG plant prior to commencing work at the proposed site as required by 49 CFR §191.22, Venture Global Calcasieu Pass, LLC must submit a construction notification for the Calcasieu Pass LNG facility within 10 days of the Final Order.
3. It is requested (not mandated) that Venture Global Calcasieu Pass, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, P.E., Director, Southwest, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.