



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

8701 S. Gessner Rd, Suite 630
Houston, Texas 77074

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

July 14, 2020

Michael S. Smith
Chairman & CEO
Freeport LNG Development, L. P.
333 Clay Street, Suite 5050
Houston, Texas 77002

CPF 4-2020-3002M

Dear Mr. Smith:

On August 7, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Freeport LNG Development, L. P. (FLNG) procedures for the immediate notice of certain incidents following an incident that occurred on August 1, 2019 in Freeport, Texas. On the basis of the inspection, PHMSA has identified the apparent inadequacy found within FLNG's plans or procedures, as described below:

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.

FLNG procedure, Appendix L PHMSA Incident Reporting Requirements, does not provide sufficient detail for reporting incidents in accordance with §191.5. The procedure does not reflect current code language to include guidance for events that meet the reporting requirements defined in §191.5, specifically as they related to the definition of significant events.

FLNG must amend its procedures to ensure that all events required to be reported under §191.5 are well defined, including the definition of events deemed significant to the operator and ensure procedural modifications are documented. The procedure must take into consideration the FERC's definition found in condition 78, APPENDIX A, 148 FERC 61,076 Docket Nos. CP12-509-000

and CP12-29-000. The revised procedures must also include guidance for personnel whose responsibilities include gathering appropriate information and/or reporting on what significant events meet the definition of an incident.

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 Freeport LNG Development, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2020-3002M** 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

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