Southern LNG Company, L.L.C.
a Kinder Morgan company

December 10, 2013

Mr. Wayne T. Lamoi
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
233 Peachtree Street, Suite 600
Atlanta, GA 30303

Re: Warning Letter
CPF 2-2013-3001W

Dear Mr. Lamoi:

Southern LNG Company LLC ("SLNG") is in receipt of the above referenced Warning Letter, dated February 6, 2013. SLNG offers a response to this Warning Letter below.

Please note that your original letter was addressed to Mr. Dwayne Burton, Vice President Engineering/Operations. Mr. Burton has retired and I have assumed his former role.

PHMSA Finding

193.2619 Control Systems.
.... (e) Relief valves must be inspected and tested for verification of the valve seat lifting pressure and reseating.

SLNG did not properly inspect and test for verification of the valve seat lifting pressure.

On April 13, 2012, SLNG personnel inspected relief valve PSV-31035 (a control system in service, but not normally in operation) as required by 193.2619(c). However, the valve seat lifting pressure was not properly verified prior to ending the inspection. According to SLNG records, the lifting pressure for the 12 inch Vacuum Relief Valve for LNG Storage Tank D-5 was left at -0.40" H2O instead of -0.86" H2O as required by SLNG's written valve inspection criteria.

SLNG Response

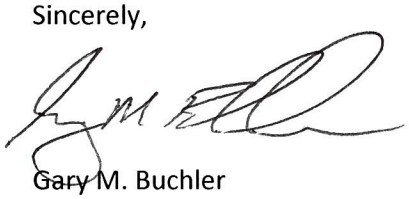
Southern LNG has not found a reliable method by which the vacuum breaker valve lifting pressure may be verified. Consultation with the vacuum breaker manufacturer (Anderson Greenwood), revealed that attempting to "pull a vacuum" with the vacuum breaker in-service is not a recommended practice. As a result, Southern LNG has determined that its test protocol for its LNG storage tanks' vacuum breakers must be modified.

Kinder Morgan's O&M Procedure "Pressure Limiting and Relief Devices Inspection", Section 3.4.2, explains the inspection protocol and sequence of events that Southern LNG is now using for the annual inspection of all LNG storage tank vacuum breakers. This procedure is a functional test but does not verify the set points of the devices since those values are negative pressure values.

> 3.4.2 Vacuum Vents and Pressure-Vacuum Vents on Tanks
>
> Inspect vacuum vents and pressure-vacuum vents on tanks at least once each calendar year not to exceed 15 months between inspections or per the Manufacturer's recommendations. In addition to the Manufacturer's recommendations, inspect devices for:
>
> - Good mechanical condition
> - Check and clean the seats and pallets of the disks
> - Disks (pallets) should be checked for sticking
> - Verify mass of pallet if there is reason to suspect it may have changed due to corrosion or tampering
> - Gaskets should be checked and replaced when conditions warrant or based on Manufacturer's recommendations
> - Following reassembly, conduct a final operational check to ensure pallets are free to move.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Gary M. Buchler
Vice President – Engineering/Operations

Bcc: Reji George
Steve Heard
Scott Walden
Ken Peters
Ms. Jill Bockenstette
Ms. Cindy Jacop