



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

1200 New Jersey Avenue, SE
Washington, DC 20590

October 25, 2021

VIA ELECTRONIC MAIL TO: msmith@freeportlng.com

Mr. Michael Smith
President & Chief Executive Officer
Freeport LNG Development, LP
333 Clay Street, Suite 5050
Houston, Texas 77002

Re: CPF No. 4-2021-040-NOPV

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that the proposed actions to comply with the pipeline safety regulations have been completed. This case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER MAYBERRY
Digitally signed by ALAN
KRAMER MAYBERRY
Date: 2021.10.25
11:40:32 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Mark Mallett, Senior Vice President, Operations and Projects, Freeport LNG
Development, mmallett@freeportlng.com
Mr. Michael Stephenson, Regulatory Compliance Manager, Freeport LNG Development,
mstephenson@freeportlng.com
Mr. Shaw Ottis, Vice President & Deputy General Counsel, Freeport LNG Development,
sottis@freeportlng.com

CONFIRMATION OF RECEIPT REQUESTED



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

8701 S. Gessner, Suite 630
Houston TX 77074

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

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

August 9, 2021

Mark Mallett
Vice President, Operations and Engineering
Freeport LNG Development, L.P.
333 Clay Street
Houston, Texas 77002

CPF 4-2021-040-NOPV

Dear Mr. Mallett:

On October 22, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an investigation following a fire that occurred on October 21, 2020, at Freeport LNG Development, L.P.'s (FLNG) liquefaction terminal in Freeport, Texas.

Based on the Investigation, it is alleged that FLNG has 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. § 193.2509 - Emergency procedures.

(a) ...

(b) To adequately handle each type of emergency identified under paragraph (a) of this section and each fire emergency, each operator must follow one or more manuals of written procedures. The procedures must provide for the following:

(4) Cooperating with appropriate local officials in evacuations and emergencies requiring mutual assistance and keeping these officials advised of:

FLNG failed to develop and follow a written emergency procedure as required by §193.2509(b)(4) for cooperating with local officials in evacuations and emergencies requiring mutual assistance. On October 21, 2020, FLNG experienced an electrical fire on Train 1 within its compressor/motor enclosure. At the onset of the fire emergency, FLNG requested the assistance of officials to aid in the emergency; however, the initial emergency phone call was routed to Houston instead of directly to Freeport Fire Department due to an incorrect phone number in the hard copy of the operations call list, causing a delay in assistance. Further, the dispatched fire trucks were unable to reach the facility due to their unfamiliarity with the facility and lack of FLNG personnel to assist.

FLNG's written procedure, *Emergency Response Plan Freeport LNG Liquefaction Terminal Pretreatment and Remote Facilities*, does not provide a process for guiding or escorting emergency response personnel into the facility. In addition, the procedure does not include a requirement for installing and maintaining appropriate lighting and signage at each of the entrances to the facility. When the fire trucks arrived at the facility, FLNG did not dispatch personnel to the entry to guide the fire truck to the correct facility, did not provide signage to direct the responding fire trucks, and the lighting was inadequate and therefore limited visibility.

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 Freeport LNG Development, L.P. 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 4-2021-040-NOPV** 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 Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Freeport LNG Development, L.P. (FLNG) a Compliance Order incorporating the following remedial requirements to ensure the compliance of FLNG with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to failure to develop and follow a process to cooperate with local officials, FLNG must amend its written procedure, *Emergency Response Plan Freeport LNG Liquefaction Terminal Pretreatment and Remote Facilities*, to include dispatching personnel to the entrance of the terminal to guide fire trucks and emergency response vehicles to the facility, and maintain appropriate visibility and lighting at all entrances to the facility. Following the development of the procedure, FLNG must review the existing signage and lighting at all entrances to ensure adequate visibility at all hours.

It is requested (not mandated) that Freeport LNG Development, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, 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.