

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

September 24, 2021

Jack Fusco
President and Chief Executive Officer
Sabine Pass LNG, L.P. (Cheniere)
700 Milam Street, Suite 1900
Houston, Texas 77002

CPF 4-2021-050-NOA

Dear Mr. Fusco:

From March 9, 2020 through March 12, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Sabine Pass LNG, L.P.'s (Cheniere) procedures and records at its terminal in Cameron, Louisiana.

As a result of the inspection, it is alleged that Cheniere 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. § 193.2503 Operating procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

(a) Monitoring components or buildings according to the requirements of § 193.2507.

Cheniere's written Operation and Maintenance Procedures do not contain adequate procedures for monitoring components of the LNG facility as required by § 193.2503(a). Specifically, at the time of the inspection, Cheniere did not reference a company procedure that provided requirements for the implementation of the supervisory lock function of the control system.

Cheniere presented several written processes and procedures during the inspection that are specific to monitoring the facility during normal and abnormal operations, including startup and shutdown. However, when requested, Cheniere did not produce an adequate procedure for using the operation mark, a feature within the distributed control system that controls the implementation of the supervisory lock or disablement.

The written response to PHMSA included a "how-to" explanation of the feature but failed to provide the level of detail necessary to direct personnel in the appropriate use and

authorizations for such use. Cheniere must revise its procedures to include requirements for personnel to implement operation marks, including the supervisory lock or disablement during operations.

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 Sabine Pass LNG, L.P (Cheniere) 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 McDaniel, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2021-050-NOA** 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

cc: Aaron Stephenson, Senior Vice President, Operations, Cheniere Energy, Inc.
Maas Hinz, Vice President and Generation Manager Operations and Maintenance

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