



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

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

February 23, 2022

Jeffrey Brightwell, P.E.
Vice President, LNG Operations
Lake Charles LNG Company, LLC
8100 Big Lake Road
Lake Charles, Louisiana, 70605

CPF 4-2022-033-NOA

Dear Ms. Brightwell:

From June 7, 2021 through June 10, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Lake Charles LNG Company, LLC's (LCLNG) plans and procedures for its liquefied natural gas (LNG) facility located in Calcasieu Parish, Louisiana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within LCLNG'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.

§ 193.2011 Reporting.

Incidents, safety-related conditions, and annual pipeline summary data for LNG plants or facilities must be reported in accordance with the requirements of Part 191 of this subchapter.

§ 191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, each operator must give notice in accordance with paragraph (b) of this section of each incident as defined in § 191.3.

LCLNG's *Energy Transfer Emergency Response Manual* (Revised: 5/10/2021) is inadequate because it does not provide a definition for the term "confirmed discovery," which is defined in § 191.3 as "when it can be reasonably determined, based on information available to the operator at the time a reportable event has occurred, even if only based on a preliminary evaluation."

On November 8, 2021, LCLNG submitted a revised procedure to address the requirements of §§ 191.5 and 193.2011. PHMSA reviewed the revised procedure and found it adequate. No further action is required for this item.

2. § 193.2605 Maintenance procedures.

(a)...

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance;

§ 193.2613 Auxiliary power sources.

Each auxiliary power source must be tested monthly to check its operational capability and tested annually for capacity. The capacity test must take into account the power needed to start up and simultaneously operate equipment that would have to be served by that power source in an emergency.

LCLNG's *Maintenance Procedures Section 117 Emergency Generator 3203-L* (Revision Date: 11/19/2018) and *Maintenance Procedures Section 122 Uninterrupted Power Supply System* (Revision Date: 3/13/2019) are inadequate because they fail to include adequate details for monthly operational capability checks or an annual capacity test on auxiliary power sources.

During the inspection, PHMSA reviewed LCLNG's procedures pertaining to monthly operational capability checks and annual capacity tests on auxiliary power sources. The procedures did not include sufficient details for testing the required capacity of auxiliary power sources to start up and simultaneously operate equipment that would be served by that power source in an emergency.

On September 10, 2021, LCLNG submitted its revised *Technical Procedures Manual, Section 13 Auxiliary Power Sources, 13.1 Emergency Generator Systems* and *13.2 UPS/Battery Backup Power Systems* (Revision: 09/10/21) to address requirements of § 193.2613. PHMSA reviewed the revised procedures and found them adequate. No further action is required for this item.

3. § 193.2605 Maintenance procedures.

(a)...

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance;

§ 193.2629 External corrosion control: buried or submerged components.

(a) Each buried or submerged component that is subject to external corrosive attack must be protected from external corrosion by -

(1) Material that has been designed and selected to resist the corrosive environment involved; or

(2) The following means:

(i) An external protective coating designed and installed to prevent corrosion attack and to meet the requirements of § 192.461 of this chapter; and

(ii) A cathodic protection system designed to protect components in their entirety in accordance with the requirements of § 192.463 of this chapter and placed in operation before October 23, 1981, or within 1 year after the component is constructed or installed, whichever is later.

LCLNG's *Technical Procedures Manual, Section 8 Corrosion Control Procedures, 8.8 CP Test Point Survey* (Revision Date: 2/26/2020) is inadequate because it does not include adequate details to determine the level of cathodic protection in accordance with § 192.463 and Appendix D to Part 192.

During the inspection, PHMSA reviewed LCLNG's procedures regarding corrosion control. The procedures did not include a reference to -.850 V cathodic voltage using a saturated copper-copper sulphate half-cell with the protective current applied. The voltage must be measured considering voltage drops other than those across the structure-electrolyte boundary for valid interpretation of the voltage measurement.

On November 8, 2021, LCLNG submitted its revised *Technical Procedures Manual, Section 8 Corrosion Control Procedures, 8.8 CP Test Point Survey* (Revision Date: 6/16/2021) to address requirements of §193.2629. PHMSA reviewed the revised procedures and found them adequate. No further action is required for this item.

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. As mentioned above, Lake Charles LNG Company, LLC previously submitted revised procedures to PHMSA that reflect the amendments required by this Notice. These submitted procedures were reviewed and found to be adequate by PHMSA, therefore, no further action or response is required. If no additional response is received within 30 days of receipt of this Notice, this enforcement will be automatically closed.

It is requested (not mandated) that Lake Charles LNG Company, LLC 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, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to CPF 4-2022-033-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

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

cc: Kathie Harryman, Senior Specialist Interstate Regulatory Compliance, Energy Transfer,
Kathryn.Harryman@energytransfer.com
Andrew Kohout, Director, Division of LNG Facility Reviews and Inspections, FERC,
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