



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

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Houston TX 77074

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL

April 20, 2023

Daniel Woods
VP LNG Operations
Cove Point LNG, LP
2100 Cove Point Road
Lusby, Maryland 20657

CPF 4-2023-032-NOA

Dear Mr. Woods:

From August 15 through September 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Cove Point LNG's procedures for the Cove Point LNG facility in Lusby, Maryland.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Cove Point LNG's procedures, as described below:

1. **§ 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 procedure must include:**
 - (1) **The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance; and**
 - (2) **A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.**

Cove Point LNG's written procedures for controlling corrosion were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(b). Specifically, Cove Point LNG's corrosion procedure, *SOP-100-01, Buried Cathodic Protection Systems Inspection, (Rev. 1.01; Dec. 6, 2020)* references the incorrect corrosion remediation procedure.

During the inspection, Cove Point LNG stated it used another procedure, *GT-OM-1-100-0017*:

Remedial Measures Procedure, (Rev. 0; Mar. 1, 2022), for corrosion remediation. However, this procedure did not include Cove Point LNG as being covered by the procedure, did not mark “LNG” as being within the covered asset class, and failed to mention any of the Part 193 corrosion control and remediation requirements.

Therefore, Cove Point LNG’s written procedures for controlling corrosion were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(b). Cove Point LNG must revise its procedures to accurately reference other procedures and it must ensure its corrosion control procedures explicitly address each corrosion control requirement in Part 193 and that the procedure states it is applicable to LNG and the Cove Point LNG facility.

2. § 193.2707 Operations and maintenance.

(a) Each operator shall utilize for operation or maintenance of components only those personnel who have demonstrated their capability to perform their assigned functions by-

(1) Successful completion of the training required by §§ 193.2713 and 193.2717;

(2) Experience related to the assigned operation or maintenance function; and,

(3) Acceptable performance on a proficiency test relevant to the assigned function.

(b) A person who does not meet the requirements of paragraph (a) of this section may operate or maintain a component when accompanied and directed by an individual who meets the requirements.

Cove Point LNG’s written procedures for operations and maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2707. Specifically, Cove Point LNG’s Operator Qualifications Program Guide (OQ Guide) failed to provide guidance to qualify and supervise contractors performing tasks. Cove Point LNG hires contractors to maintain the fire protection system, but does not have procedures to ensure the contractors are qualified, or are otherwise supervised by a qualified individual.

Therefore, Cove Point LNG’s written procedures for operations and maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2707. Cove Point LNG must revise its OQ Guide to include a process that ensures contractors are performing covered tasks in accordance with § 193.2707.

3. § 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)

(c) Recognizing abnormal operating conditions.

Cove Point LNG's written procedures for operations and maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2503(c). Specifically, Cove Point LNG's procedure and training material failed to provide adequate guidance for personnel to recognize abnormal operating conditions (AOCs).

Cove Point LNG's *SOP-015-01: Abnormal Operating Conditions (Sept. 24, 2021)* failed to provide adequate guidance for personnel to recognize AOCs. The procedure included a definition but failed to provide sufficient detail to recognize specific AOCs. In addition, Cove Point LNG's training, *Abnormal Operating Conditions Training WP-ON-074-GL*, failed to include training specific to LNG facilities. After the inspection, Cove Point LNG updated its training to reference Part 193, but the updated training failed to provide guidance for personnel to recognize AOCs.

In addition, Cove Point LNG updated the definition of an AOC in *SOP-015-01 (Sept. 14, 2022)* to when "a component or system within the facility functions outside the design ranges of pressure, temperature, flow or other criteria required by 49 CFR Part 193." However, an AOC needs to be defined as occurring when operating limits are reached. Further, the warning devices in Cove Point LNG's control center are intended to notify operators of AOCs. Rather, the role of the alarms in recognizing an abnormal operating condition is not included in the procedure.

Therefore, Cove Point LNG's written procedures for operations and maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2503(c). Cove Point LNG must revise its training guide and procedures to provide adequate guidance for personnel to recognize AOCs, and it must update the definition of AOC and ensure its procedures require the inclusion of alarms monitoring for AOCs.

4. § 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:

(c) Each operator shall include in the manual required by paragraph (b) of this section instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 of this subchapter.

Cove Point LNG's written procedures for maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(c). Specifically, Cove Point LNG's procedure failed to provide adequate guidance for personnel to recognize safety-related conditions (SRCs).

Cove Point LNG's *SOP-120-02: Training on Safety Related Conditions (Rev. 2; Sept. 27, 2021)* failed to provide adequate guidance for personnel to recognize SRCs. The list of SRCs in Section B repeated the list in section 191.23 and includes conditions that are specific to transmission pipelines and underground natural gas storage facilities. After the inspection, Cove Point LNG updated its procedure and made the required changes. (*SOP-120-02: Training on Safety Related Conditions (Rev. 3; Sept. 14, 2022)*).

Therefore, Cove Point LNG's written procedures for maintenance were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(c).

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 Cove Point LNG maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2023-032-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings