

CERTIFIED MAIL

May 20, 2023

Mr. Bryan Jeffery Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston, TX 77074

RE: CPF 4-2023-032-NOA

Dear Mr. Lethcoe,

This letter is the formal response by Cove Point LNG, LP (CPLNG) to Notice of Amendment (NOA) CPF 4-2023-032-NOA dated April 20, 2023. CPF 4-2023-032-NOA was issued following the conclusion of the standard inspection of the CPLNG facility in Lusby, Maryland, conducted from August 15 through September 29, 2022 by the Pipeline and Hazardous Materials Safety Administration (PHMSA). Specifically, PHMSA noted the following:

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.

CPLNG Response:

As stated during the audit and CPLNG's response to the Post-Inspection Written Preliminary Findings on December 9, 2022, CPLNG SOP-100-01 referenced EGTS SOP 070-17. This procedure was followed to control corrosion adequately to assure safe operation of a pipeline facility in accordance with § 193.2605(b). SOP GT-OM-I-100-0017 replaced SOP 070-17 on March 01, 2022. Per §193.2017(c), "Each operator must review and update the plans and procedures required by this part - (1) When a component is changed significantly or a new component is installed; and (2) At intervals not exceeding 27 months, but at least once every 2 calendar years." Corrections to updated procedure name changes occur during the procedure reviews, as required by §193.2017(c). SOP-100-01 was reviewed on December 29, 2020, before EGTS SOP GT-OM-I-100-0017 was created. No component was changed significantly or newly installed. CPLNG has an interval not exceeding 27 months, but at least once every 2 calendar years to review and update SOP-100-01. Therefore, CPLNG was not out of compliance for the nomenclature in CPLNG SOP-100-01 at the time of the inspection.

CPLNG has created Cove Point specific corrosion-related procedures, per PHMSA NOA request. See Appendix A for SOP-100-01 Buried Cathodic Protection Systems Inspection, SOP-100-03 Atmospheric Inspection, and SOP 100-04 Internal Corrosion.

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.

CPLNG Response:

As stated in CPLNG's response to the Post-Inspection Written Preliminary Findings on December 9, 2022, "CPLNG's interpretation of §193.2707(a) is that the code does not apply to contractors because §193.2713(a)(1) does not apply to contractors performing maintenance functions only. §193.2707(a) states, "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; and (2) Experience related to the assigned operation or maintenance function; and (3) Acceptable performance on a proficiency test relevant to the assigned function."

§193.2713(a) states, 'Each operator shall provide and implement a written plan of initial training to instruct - (1) All permanent maintenance, operating, and supervisory personnel - (i) ... (ii) ... (iii) ... (2) All personnel - (i) To carry out the emergency procedures under § 193.2509 that relate to their assigned functions; and (ii) To give first-aid; and (3) All operating and appropriate supervisory personnel - (i) ... (ii) ...' Contractors are not permanent maintenance personnel. Therefore, the requirements of §193.2713(a)(1) do not apply. Contractors do not carry out emergency procedures nor give first aid. Therefore, the requirements of §193.2713(a)(2) do not apply. Contractors do not perform operations tasks. Therefore, the requirements of §193.2713(a)(3) do not apply.

Since §193.2707(a)(1) does not apply, then §193.2707(a)(2) and §193.2707(a)(3) do not apply."

Notwithstanding CPLNG's position regarding the inapplicability of the cited code sections, CPLNG has created SOP-120-07 Contract Maintenance as guidance for contractor training and experience requirements. See Appendix B for SOP-120-07 Contract Maintenance. CPLNG has historically relied on Terms and Conditions of contractual agreements and contractor expertise to ensure that contractors are properly trained to complete maintenance related tasks for the safe operation of the LNG facilities.

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.

CPLNG Response:

As stated in CPLNG's response to the Post-Inspection Written Preliminary Findings on December 9, 2022 and as previously stated in the email on September 23, 2022, the AOC WP-ON-074-GL training module has been revised to only include information applicable to Title 49 CFR Part 193 jurisdiction systems. Information applicable to Title 49 CFR Part 192 and Title 49 CFR Part 195 jurisdictional systems has been removed. This revised training module will be given to Cove Point LNG personnel. The training module was attached in the email.

The training slides state, "'Abnormal Operating Conditions' are any condition where a component or system within the LNG Facility functions outside the design limits of pressure, temperature, flow, or other criteria required by Title 49 CFR Part 193." The training slides instruct personnel performing operation and maintenance activities to recognize an abnormal operating condition. Operations and maintenance personnel receive this training annually to ensure they can identify an AOC.

Additionally, CPLNG has revised SOP-015-01 Abnormal Operating Conditions to define an abnormal operating condition as "any condition where a component or system within the LNG Facility functions outside the design limits of pressure, temperature, flow, or other criteria required by Title 49 CFR Part 193. In some instances, these abnormal operating conditions can be the early stages of a LNG Facility emergency; therefore, each abnormal operating condition must be handled in accordance with this procedure." As stated during the inspection, exceeding

the operating limit is not an AOC, per code requirements. There is no formal definition of AOC in 49 CFR Part 193. Although 49 CFR Part 192.605(c) applies to transmission lines, the definition above was taken from 49 CFR Part 192.605(c) which states, “Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded.” The procedures now clearly reflect the code. CPLNG has historically operated safely and has never exceeded design limits.

An alarm does not constitute an AOC and is not always indicative of an AOC. Updates to SOP-015-01 Abnormal Operating Conditions describe events that indicate an AOC are unintended shutdowns; loss of control system communications; operation of any safety relief valve; and any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property. See Appendix C for SOP-015-01 Abnormal Operating Conditions and corresponding training material.

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 procedure 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).

CPLNG Response:

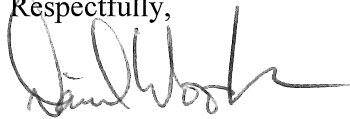
The amended procedure was included in the CPLNG response on September 22, 2022 to the Procedure Request by PHMSA sent on August 17, 2022. As stated in CPLNG’s response to the Post-Inspection Written Preliminary Findings on December 9, 2022, “The training slides that are provided to personnel who perform operation and maintenance activities were included in the email sent on November 14, 2022. As shown in the training slides, each potential safety-related

condition is listed, as defined in Title 49 CFR Part 191. This provides the clearest and most concise definition of what each potential safety related condition entails. The annual training enables 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.”

Therefore, it can be concluded that the CPLNG SOP and training slides are acceptable instructions to assure safe operation of a pipeline facility in accordance with § 193.2605(c). As stated above “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)*).”

If you have any questions, or should require additional information, please do not hesitate to contact Drew Mongold at (304) 266-6073.

Respectfully,

A handwritten signature in dark ink, appearing to read 'Daniel Woods', with a stylized flourish extending to the right.

Daniel Woods
Vice President, LNG Operations
Cove Point LNG, LP