

August 6, 2025

VIA ELECTRONIC MAIL TO:

jack.fusco@cheniere.com

Jack Fusco
President and Chief Executive Officer
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, Texas 77002

Re: CPF No. 4-2024-022-NOPV

Dear Mr. Fusco:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Cheniere Energy, Inc. has completed the actions necessary to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5. Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Corey Grindal, EVP and Chief Operating Officer, cory.grindal@cheniere.com
Chris Williams, Vice President, Pipeline Operations, chris.williams@cheniere.com
Paul Falgout, Pipeline Regulatory Compliance Manager, paul.falgout@cheniere.com

CONFIRMATION OF RECEIPT REQUESTED

In its Response, Cheniere did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.179(a)(4), which states:

§ 192.179 Transmission line valves.

(a) Each transmission line, other than offshore segments, must have sectionalizing block valves spaced as follows, unless in a particular case the Administrator finds that alternative spacing would provide an equivalent level of safety:

(1)

(4) Each point on the pipeline in a Class 1 location must be within 10 miles (16 kilometers) of a valve.

The Notice alleged that Respondent violated 49 C.F.R. § 192.179(a)(4) by failing to have sectionalizing block valves spaced within 10 miles of a block valve in a Class 1 location. Specifically, the Notice alleged that Cheniere installed a segment of 42-inch natural gas pipeline in a Class 1 location with a separation of 23.64 miles between sectionalizing block valves across Calcasieu Lake.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.179(a)(4) by failing to have sectionalizing block valves spaced within 10 miles of a block valve in a Class 1 location.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.179(a)(4). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following alternative actions:

With respect to the violation of § 192.179(a)(4) (Item 1), Respondent submitted a Petition for Equivalency Finding for alternative valve spacing beneath Calcasieu Lake on July 18, 2024, pursuant to 49 C.F.R §§ 190.9 and 192.179(a). On November 26, 2024, PHMSA issued to Cheniere an approval of its Petition for Equivalency Finding. Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEM

With respect to Item 2 the Notice alleged a probable violation of Part 192, but identified it as a warning item pursuant to § 190.205. The warning was for:

49 C.F.R. § 192.469 (**Item 2**) — Respondent's alleged failure to maintain sufficient test stations or contact points on its pipeline for electrical measurement to determine the adequacy of cathodic protection.

If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued