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Via Certified Mail/Return Receipt Requested

Mr. Bryan Lethcoe
US Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety, Southwest Region
8701 S. Gessner Road, Suite 630
Houston, TX 77074

RE: CPF 4-2024-022-NOPV– Notice of Probable Violation and Proposed Compliance Order

Mr. Lethcoe:

On March 20, 2024, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Notice of Probable Violation and Proposed Compliance Order (PCO), CPF 4-2024-022-NOPV ("NOPV") to Cheniere Creole Trail Pipeline, L.P. ("Cheniere"). Item (1) of the NOPV alleges an inadequacy under § 192.179(a)(4) concerning Cheniere's sectionalizing block valves spaced at 23.64 miles apart in a Class 1 location and proposes a Compliance Order.

This letter constitutes Cheniere's formal response to the NOPV.

Without admission, Cheniere does not contest the allegation in Item (1) of the NOPV. However, paragraph (A) of the Proposed Compliance Order requires installing a valve so that each point within the Class 1 is within 10 miles of a valve. Installing a valve in Calcasieu Lake at the referenced spacing will not provide additional safety measures and in fact would create the possibility for additional safety risk. For these reasons, Cheniere requests an informal meeting to discuss revisions to the Proposed Compliance Order.

Section 192.179(a) states that "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." Cheniere submitted to the Deputy Administrator a Petition for Finding (Petition) pursuant to 49 CFR 190.9 and 192.179(a) on July 18th, 2024 requesting a finding of safety equivalency for the alternative valve spacing beneath Calcasieu Lake. In its Petition, Cheniere demonstrated that it designed, constructed, and operates the Creole Trail Pipeline with measures in place to provide an equivalent level of safety as the valve spacing requirement set forth in § 192.179(a)(4). In addition, given the pipeline segment's location under Calcasieu Lake, installing and maintaining the valves at the spacing interval specified in § 192.179(a)(4) was, and continues to be,

infeasible, and presents a significant risk of damage to both the pipeline and the environment. In addition, maintaining mainline block valves in the lake would create a safety risk to pipeline personnel and adversely affect other uses of the lake.

Cheniere expects to receive an Equivalency Finding and is awaiting its issuance from the Deputy Administrator.

Therefore, Cheniere objects to language in the Proposed Compliance Order that would require Cheniere to install sectionalizing block valves within 60 days of receipt of the Final Order. Cheniere also objects to the requirement that Cheniere provide the Petition and the Equivalency Finding within 60 days of receipt of the Final Order because the timing of the issuance of the Equivalency Finding is unknown. Cheniere requests instead that it be required to submit the Petition and the Equivalency Finding 30 days after Cheniere receives the Equivalency Finding.

Cheniere proposes the following revisions to the Proposed Compliance Order and requests an informal meeting to discuss the specific language of the Compliance Order.

Regarding Item 1 of the Notice pertaining Cheniere's failure to have sectionalizing block valves spaced within 10 miles of a block valve in a Class 1, Cheniere must provide the Petition for Equivalency Finding and the Equivalency's Finding to the Director, Southwest Region, PHMSA within 30 days of Cheniere's receipt of the Equivalency Finding from PHMSA.

Cheniere takes our commitment to pipeline safety very seriously and is dedicated to the safety and wellbeing of the communities in the areas where we operate. If you have any questions, or should require additional information, please contact Paul Falgout at (713) 375-5855.

Respectfully,



Don Gregor
Director, Pipeline Engineering and Operations