

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: jack.fusco@cheniere.com

March 20, 2024

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

CPF 4-2024-023-NOA

Dear Mr. Fusco:

From February 21 to July 21, 2023, of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Cheniere Creole Trail Pipeline, L.P.'s¹ (Cheniere) procedures regarding the transport of natural gas from Gillis, Louisiana, to the Sabine Pass liquefied natural gas facility in Cameron Parish, Louisiana, through its 42-inch pipeline.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Cheniere's plans or procedures, as described below:

1. 49 U.S.C. § 60108. Inspection and maintenance

(a)

(2) If the Secretary or a State authority responsible for enforcing standards prescribed under this chapter decides that a plan required under paragraph (1) of this subsection is inadequate for safe operation, the Secretary or authority shall require the person to revise the plan. . . . In deciding on the adequacy of a plan, the Secretary or authority shall consider—

(A)

(E) the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.

¹ Cheniere Creole Trail Pipeline, L.P., is a subsidiary of Cheniere Energy, Inc.

The Pipeline Safety Act, 49 U.S.C. § 60108(a)(1), requires each person owning or operating a gas pipeline facility or hazardous liquid pipeline facility to carry out a written plan for inspection and maintenance of each facility used in transportation. If PHMSA or a certified State authority determines a written plan does not comply with § 60108(a), has not been adequately implemented, is inadequate for the safe operation of a pipeline facility, or is otherwise inadequate, PHMSA or the State authority may require the owner or operator to take corrective action.

Section 114 of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020, Public Law No. 116-260 (Act), required owners and operators, by December 27, 2021, to update their inspection and maintenance plans to address the amendments made in the following sections of the Act:

Section 60108(a)(2)(D) requires PHMSA to evaluate the extent to which operators' plans will contribute to— (i) public safety; (ii) eliminating hazardous leaks and minimizing releases of natural gas from pipeline facilities; and (iii) the protection of the environment; and

Section 60108(a)(2)(E) requires PHMSA or to evaluate the extent to which operators' plans address the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.

Pursuant to 49 U.S.C. § 60108(a), our review of your inspection and maintenance plan indicates the procedures are inadequate for safe operation. Specifically, the following item needs amendment:

49 U.S.C. § 60108(a)(2)(E) the extent to which the plan addresses the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline.

Cheniere's procedures are inadequate for safe operation because they do not address the replacement or remediation of pipelines that are known to leak based on the material (including cast iron, unprotected steel, wrought iron, and historic plastics with known issues), design, or past operating and maintenance history of the pipeline. Cheniere's procedure (OMP-PPL-6000, Operations and Maintenance Manual, Rev. 2022) failed to adequately define leak prone pipe and to include a justification for the assertion that it does not operate or own leak prone pipe.

Therefore, Cheniere's inspection and maintenance plans were inadequate to assure safe operation of a pipeline facility in accordance with 49 U.S.C. § 60108(a)(2)(E). Cheniere must revise its procedures as specified above.

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 Cheniere 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, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2024-023-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: 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