

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: bcotheran@ventureglobalng.com

October 22, 2024

Brian Cotheran
Chief Operating Officer
Venture Global Calcasieu Pass, LLC
1001 19th Street North, Suite 1500
Arlington, VA

CPF 4-2024-047-NOPV

Dear Mr. Cotheran:

From July 24 through September 1, 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 the plans, procedures, and records for Venture Global Calcasieu Pass, LLC's (Venture Global) liquefied natural gas facility in Calcasieu Pass, Louisiana.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. § 191.5 Immediate notice of certain incidents.**
 - (a) At the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, each operator must give notice in accordance with paragraph (b) of this section of each incident as defined in § 191.3.**

Venture Global failed to, at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, give notice of each incident as defined in § 191.3 in accordance with § 191.5(a). Specifically, Venture Global failed to report an unintentional gas loss of three million cubic feet or more within one hour after confirmed discovery on January 17, 2022.

According to the incident report, the incident reporting criteria was met on January 17 at 2:00 a.m. due to an unintentional gas loss of 3,609,200 cubic feet. However, Venture Global did not report the incident until January 18 at 5:50 p.m. Venture Global should have reported the incident by 11:00 a.m. on January 17 because it confirmed discovery of the reportable incident at 10:00 a.m.

2. § 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:

Venture Global failed to follow its written procedures for the maintenance of each component, including any required corrosion control in accordance with § 193.2605(b). Specifically, Venture Global failed to follow section 10.2 of its written procedure for cathodic protection (CP) maintenance (*CP-000000-MEL-PCD-VGL-00006*), which required that a close interval survey be conducted within 35 days after the CP system is installed, energized, and properly adjusted. Venture Global failed to provide records indicating it conducted a close interval survey within 35 days following installation of its CP system.

3. § 193.2635 Monitoring corrosion control.

Corrosion protection provided as required by this subpart must be periodically monitored to give early recognition of ineffective corrosion protection, including the following, as applicable:

(a) Each buried or submerged component under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463 of this chapter.

Venture Global failed to test each buried or submerged component under cathodic protection at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463 in accordance with § 193.2635(a). Specifically, Venture Global failed to test the cathodic protection systems for three underground storage/mix 50 tanks within the required interval because it conducted the test on July 29, 2023, 18 months after the prior testing on January 13, 2022.

4. § 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)

(b) Startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactory in service.

Venture Global failed to include in its manual of written procedures provisions for startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactorily in service in accordance with § 193.2503(b). The performance testing must be performed whenever a startup or shutdown is necessary, such as when components are taken out of service for repairs or maintenance.

Proposed Compliance Order

With respect to Item 4 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Venture Global Calcasieu Pass, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 1, 2, and 3, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2024-047-NOPV** 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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Cassie Harrison, Director, Regulatory Compliance,
cassie.harrison@ventureglobalng.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Venture Global Calcasieu Pass, LLC (Venture Global) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Venture Global Calcasieu Pass, LLC with the pipeline safety regulations:

- A. In regard to Item 4 of the Notice pertaining to Venture Global's failure to include provisions for startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactorily in service in its manual of written procedures, Venture Global must revise its procedures to include provisions for startup and shutdown performance testing whenever a startup or shutdown is necessary, such as when components are taken out of service for repairs or maintenance and provide the revised procedures to the Director, Southwest Region, PHMSA within **180** days of receipt of the Final Order.

- D. It is requested (not mandated) that Venture Global maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.