WARNING LETTER

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CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 9, 2009

Mr. William Cope, VP Eastern Pipeline Operations Southern LNG 569 Brookwood Village Suite 501 Birmingham, AL 35209

CPF # 2-2009-3001W

Dear Mr. Cope,

On July 6 - 8, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your procedures, records, and facilities in Savannah, Georgia.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

§ 193.2713 Training: operations and maintenance.

(b) A written plan of continuing instruction must be conducted at intervals of not more than two years to keep all personnel current on the knowledge and skills they gained in the program of initial instruction.

Three (3) Southern LNG personnel had not completed the EOP01726 Emergency Operating Procedures Review class within the required two (2) year period. One (1) technician exceeded the two (2) year period by 35 days and 2 technicians by 3 months, 8 days.

The course completion dates on Southern LNG training completion certificates for the EOP01726 Emergency Operating Procedures Review class indicated that three (3) technicians exceeded the two (2) year training completion requirement. One (1) technician completed the course on 2007/06/03 and 2009/07/08 and two (2) technicians completed the course on 2007/06/03.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. 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 correct the item(s) identified in this letter. Failure to do so will result in Southern LNG being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF # 2-2009-3001W.** 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).

Sincerely,

Linda Daugherty Director, Southern Region Pipeline and Hazardous Materials Safety Administration