



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

January 28, 2026

VIA ELECTRONIC MAIL TO: paul.ruppert@bhegts.com

Paul Ruppert
President
BHE GT&S, LLC
6603 West Broad Street
Richmond, VA 23200

CPF No. 4-2025-010-NOPSO

Dear Mr. Ruppert:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Cove Point LNG, LP, which was executed on January 26, 2026. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,
**LINDA GAIL
DAUGHERTY**
Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.01.27
16:12:01 -05'00'

Enclosure: Consent Order and Consent Agreement

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Eric Taylor, Director of Engineering Services Pipeline Integrity, BHE GT&S,
Eric.Taylor@bhegts.com
Tate Era, LNG Production Coordinator, Cove Point LNG, Tate.Era@bhegts.com
Brienne Kurdock, Counsel for Cove Point LNG, Kurdock, BKurdock@babstcalland.com
Melanie Lampton, Counsel for Cove Point LNG, MLampton@babstcalland.com
Andrew Kohout, Director, Division of LNG Facility Reviews and Inspections, FERC,
andrew.kohout@ferc.gov

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

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In the Matter of))
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Cove Point LNG, LP,)	CPF No. 4-2025-010-NOPSO)
))
Respondent.))

CONSENT ORDER

By letter dated October 14, 2025 the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Proposed Safety Order (Notice) to Cove Point LNG, LP (Cove Point or Respondent).

In accordance with 49 CFR § 190.239, the Notice alleged that conditions exist at Cove Point’s liquefied natural gas (LNG) facility in Lusby, Maryland that pose an integrity risk to public safety, property, or the environment. The Notice also proposed that Respondent take certain corrective measures to remedy the alleged conditions and ensure that the public, property, and the environment are protected from the potential risk.

In response to the Notice, Respondent requested an informal consultation, whereupon the parties engaged in good-faith settlement discussions that have resulted in the Consent Agreement attached to this Consent Order that settles all of the allegations in the Notice.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order. Cove Point is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms.

Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 CFR § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL DAUGHERTY Digitally signed by LINDA GAIL DAUGHERTY
Date: 2026.01.27
16:11:43 -05'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

January 28, 2026

Date Issued

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Cove Point LNG, LP,)	CPF No. 4-2025-010-NOPSO
)	
Respondent.)	
)	

CONSENT AGREEMENT

On September 24, 2025, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to 49 U.S.C. § 60101 *et seq.*, initiated an investigation of the safety of the 5V534A and 5V534B ethane tanks (the Ethane Tanks) operated at Cove Point LNG, LP’s (Cove Point or Respondent) liquefied natural gas (LNG) facility in Lusby, Maryland (the Facility).

As a result of the investigation, the Director, Southwest Region, OPS (Director), issued to Cove Point, by letter dated October 14, 2025, a Notice of Proposed Safety Order (Notice). In accordance with 49 U.S.C. § 60117(m) and 49 CFR § 190.239, the Notice alleged that conditions may exist at the Facility that pose a pipeline integrity risk to public safety, property, or the environment. Specifically, the Notice alleged that the 5V534A ethane tank is experiencing frost heave which is placing stress on associated piping and appurtenances. OPS alleged that the frost heave has become an integrity risk to both the 5V534A and 5V534B ethane tanks. OPS also alleged in its preliminary findings that there were leaks in the area surrounding the Ethane Tanks.¹

On October 16, 2025, Cove Point responded to the Notice by timely submitting a written response and a request for an informal consultation under 49 CFR § 190.239(b)(2), or, alternatively, a hearing. Two informal consultations were held on October 17 and October 27, 2025. PHMSA and Cove Point (collectively, the Parties) have jointly determined that settlement of this proceeding will avoid further administrative proceedings or litigation, and is in the public interest, and that entering into this Consent Agreement (Agreement) is the most appropriate means of resolving the issues raised in the Notice. Therefore, pursuant to 49 CFR §§ 190.219 and 190.239(b)(2), without adjudication of any issue of fact or law, and upon consent and agreement of the Parties, Cove Point and PHMSA agree to the terms and conditions set forth in this Agreement.

¹ Based on information submitted by Cove Point, PHMSA has confirmed that there are no current leaks on the Ethane Tanks. Cove Point has an existing 24-7 leak detection monitoring system in the Ethane Tank area, including nine permanent leak detection sensors and seven open path leak detection sensors. None of these sensors have alarmed as a result of any leaks in the tank storage area.

I. General Provisions

1. Respondent acknowledges that as the operator of the Facility, Respondent and the Facility are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.
2. Respondent agrees, for purposes of the Agreement, to complete the actions specified in Section II of the Agreement (Corrective Measures) and to abide by the terms of this Agreement. This Agreement does not constitute a finding of violation of any Federal law or regulation and may not be used in any civil or administrative proceeding of any kind as evidence or proof of any fact, fault, or liability, or as evidence of the violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement.
3. After Respondent returns this signed Agreement, a PHMSA representative will present it to the Associate Administrator for Pipeline Safety recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of the Agreement.
4. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the dispute resolution procedures in Section IV.
5. This Agreement shall apply to and be binding upon PHMSA, and upon Cove Point, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Cove Point's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.
6. For all transfers of ownership or operating responsibility of the Facility, Respondent will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer and simultaneously provide written notice of the prospective transfer to the Director.
7. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the allegations in the Notice and settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or

understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

8. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Cove Point pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

9. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to the Facility. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Cove Point remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

10. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Cove Point agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

11. Upon issuance of the Consent Order, Cove Point agrees to perform the Corrective Measures set forth below in Section II.

II. Corrective Measures

12. ***Operational Status of Ethane Tanks.*** Cove Point may keep the Ethane Tanks in service subject to the continuous monitoring requirements in paragraph 13 and the results of the root cause failure analysis (see paragraph 16). Cove Point must remove the Ethane Tanks from service if any of the following occurs:

- a. Loss of containment capability of the Ethane Tanks or attached appurtenances which cannot be isolated and/or repaired.
- b. Detection of material loss exceeding acceptable limits per applicable design code, including internal or external corrosion impacting tank shell.
- c. Failure or loss of functionality in instrumentation, pressure relief devices, level indicators, temperature sensors, or emergency shutdown systems that cannot be repaired. If one of the listed devices loses functionality, Cove Point must repair or replace as soon as practicable.
- d. Identification by Cove Point's third-party consultant of a condition which could lead to an imminent failure.

13. **Monitoring Tank Storage Area Conditions.** Cove Point must conduct certain monitoring activities to continuously evaluate the integrity of the Ethane Tanks.

a. **Ethane Gas Monitoring.**

- i. Cove Point must install a total of four gas detection sensors: one at each of the existing two vents that are part of the ethane tank leak detection collecting system and one sensor at each of the two manway areas above the Ethane Tanks. The additional gas detection will be installed and maintained consistent with the existing point detectors, will be connected to the existing Distributed Control System, and will alarm in the control room. This additional gas detection will be added to the existing Tank Area Detector Maintenance Plan.
- ii. Cove Point will conduct walkdowns of the Ethane Tank area with a flame ionization detector (FID) or photoionization detector (PID) gas monitor at each 12-hour shift until Cove Point has completed the installation listed in paragraph 13(a)(i).
- iii. Cove Point will conduct monthly scans of the Ethane Tank area using an optical gas imaging camera.
- iv. Cove Point must continue to use its existing leak detection alarm system in the tank storage area.

b. **Monitoring of Elevation Changes.**

- i. Cove Point must compare the data from its existing tank elevation monitoring system to determine if a change in elevation has occurred since the system was commissioned. Cove Point will document any elevation changes that have occurred in the monthly reports required by Paragraph 18.
- ii. A physical survey for tank elevation will be conducted every two months and this data will be submitted to PHMSA for review. The first survey will be due two months from the Effective Date and must be conducted every two (2) months thereafter. After the submission of the Root Cause Failure Analysis in accordance with Paragraph 16, Cove Point may then complete the surveys every six months.
- iii. Cove Point must conduct an above-ground pipe assessment at a frequency not to exceed six (6) months and repair any areas requiring remediation. Cove Point must perform a Fitness-for-Service evaluation for any pipe where findings cannot be repaired.

14. **Notification.** If a leak is identified through the gas detection equipment referenced in paragraph 13(a)(i), Cove Point must notify the Director within 24 hours detected by the equipment referenced in 13(a)(i), unless an earlier notification is required by 49 CFR Part 191. Cove Point must remediate the leak as soon as possible.

15. **Planned Excavation.** Within 15 days of the Effective Date, Cove Point must submit its excavation plan to the Director for approval. Within 45 days of the Director's approval, Cove Point must begin investigation of 5V534A via limited hydro excavation and shoring to determine subsurface conditions.

16. **Root Cause Failure Analysis (RCFA).** Within 160 days of the Effective Date, Cove Point must submit an RCFA to the Director. The RCFA must be supplemented or facilitated by an independent third-party approved by the Director and must document the decision-making process and all factors contributing to any discovered damage to the vessel. Respondent must ensure that all reports, whether draft or final, are made available in their entirety to the Director at the same time they are made available to Respondent. The final report must include findings and any lessons learned and whether the findings and lessons learned are applicable to other locations within the Facility.

17. **Remediation Plan.** Within 90 days of completion of the RCFA identified in Paragraph 16, Cove Point must submit a comprehensive remediation plan to the Director for approval that addresses the assessment, remediation, and, if necessary, replacement of underground tanks affected by foundation movement. Cove Point must specify the assessments, evaluations, and remedial measures Respondent will use.

- a. Cove Point must include a proposed schedule for completion of each submitted section of the Remediation Plan.
- b. Once approved by the Director, the Remediation Plan will be incorporated by reference into the Consent Order.
- c. Cove Point must revise the Remediation Plan as necessary to incorporate new information obtained, and submit any plan revisions to the Director for prior approval. The Director may approve plan revisions incrementally.
- d. Cove Point must implement the Remediation Plan, as approved by the Director, including any revisions to the plan.

18. **Monthly Reports.** Cove Point will provide an update on actions that have occurred within 30 days of the Effective Date. Going forward, every 30 days, Cove Point will submit reports to the Director that: (1) include analysis of all available data and results of the testing and evaluations required by this Agreement and (2) describe the progress of the repairs and other remedial actions being undertaken, including any repairs made in accordance with paragraph 12.

19. **Extensions of Time.** The Director may grant an extension of time for compliance with any of the terms of the Agreement upon a written request timely submitted demonstrating good cause for the extension. The Director shall respond in writing to any such request.

III. Review and Approval Process

20. With respect to any submission under Section II (Corrective Measures) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission, (b) approve the submission on specified, reasonable conditions, (c) disapprove, in whole or in part, the submission, or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Cove Point will take all actions as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures in Section IV with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Cove Point with a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for approval.

IV. Dispute Resolution

21. The Director and Cove Point will informally attempt to resolve any disputes arising under this Agreement. If Respondent and the Director are unable to informally resolve the dispute within 15 calendar days of submittal of Respondent's invoking dispute resolution in writing, Cove Point may, within 10 calendar days thereafter and in writing, request a written determination resolving the dispute from the Associate Administrator for Pipeline Safety. Such request must be made in writing and provided to the Director, counsel for the Southwest Region, and to the Associate Administrator, no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph, providing all information that Respondent believes is relevant to the dispute. If the request is submitted as provided herein, the Associate Administrator will issue a final determination in writing. Decisions of the Associate Administrator will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process except as agreed by the Director or the Associate Administrator in writing.

V. Enforcement

22. This Agreement, as adopted by the Consent Order, is subject to all the enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190, including administrative civil penalties under 49 U.S.C. § 60122 and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 CFR § 190.223. All procedures, work plans, and schedules set forth or referenced in Section II will be automatically incorporated into this Agreement and are enforceable in the same manner.

VI. Recordkeeping and Information Disclosure

23. Unless otherwise required in this Agreement, Cove Point agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 CFR Parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Cove Point may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Cove Point must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

VII. Effective Date

24. The term “Effective Date” as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement. Unless specified to the contrary, all deadlines for actions required by this Agreement run from the Effective Date. The Director shall consider the actions that Respondent performed prior to and after the Effective Date in determining whether Respondent has satisfied the terms and conditions in Section II (Corrective Measures) of this Agreement.

VIII. Modification

25. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

IX. Termination

26. This Agreement shall remain in effect until the Corrective Measures set forth in Section II are satisfied, as determined by the Director. Cove Point may request termination of this Agreement when appropriate. The Agreement shall not terminate until the Director confirms, in writing, that the Agreement is terminated in accordance with this paragraph. Nothing in this Agreement prevents Cove Point from completing any of the obligations earlier than the deadlines provided for in this Agreement.

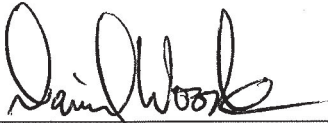
X. Ratification

27. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

28. The Parties hereby agree to all conditions and terms of this Agreement.

[Signature Lines on Following Page]

For Respondent:



Daniel Woods
Vice President, LNG Operations

01/26/2026
Date

For PHMSA:

**BRYAN JEFFERY
LETHCOE** Digitally signed by BRYAN
JEFFERY LETHCOE
Date: 2026.01.26 14:11:20 -06'00'

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety

January 26, 2026
Date