

WARNING LETTER

VIA ELECTRONIC MAIL TO: david_brast@tcenergy.com

October 10, 2025

Mr. David Brast
President and Chief Executive Officer
North Baja Pipeline LLC
700 Louisiana Street, Suite 700
Houston, Texas 77002

CPF 1-2025-034-WL

Dear Mr. Brast:

From March 26, 2023 to April 17, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected North Baja Pipeline LLC's (Baja) pipeline facility records in California.

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

1. § 192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following:

(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part. However, for steel pipe in pipelines being converted under § 192.14 or uprated under subpart K of this part, if any variable necessary to determine the design pressure under the design formula (§ 192.105) is unknown, one of the following pressures is to be used as design pressure:

Baja failed to establish its maximum allowable operating pressure (MAOP) in accordance with section 192.619(a). Specifically, Baja failed to determine the design pressure of all valves, tees, and elbows on its Mainline pipeline (MLV 1 through 9) and Arrowhead Extension pipeline as required by section 192.619(a)(1), and failed to use the correct longitudinal joint factor for pipe with unknown seam type as required by section 192.113(b) when calculating the design pressure.

During the inspection, PHMSA reviewed Baja's MAOP calculation and test records and determined that Baja failed to determine the design pressure of all valves, tees, and elbows on its Mainline pipeline (MLV 1 through 9) and Arrowhead Extension pipeline. In addition, the required information of pipe seam type was listed as an unknown property for approximately 76 miles of pipeline. However, when calculating design pressure under subpart C Baja used a longitudinal joint factor of 1.00, contrary to section 192.113(b), which states that if the type of seam is unknown, the longitudinal joint factor cannot exceed .60 or .80, depending on pipe diameter.

Therefore, Baja failed to establish its MAOP in accordance with section 192.619(a).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

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 identified in this letter. Failure to do so may result in North Baja Pipeline LLC 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 1-2025-034-WL**. 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,

Robert Burrough
Director, Eastern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration