



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

8701 South Gessner, Suite 1110  
Houston, TX 77074

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 10, 2008

John Plugge  
President  
Golden Pass Pipeline LP  
17001 Northchase Drive, Suite 688  
Houston, Texas 77060

**CPF 4-2008-1017**

Dear Mr. Plugge

During July and August 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected a portion (MP 0.0 – MP16.5) of your Golden Pass Pipeline (GPPL) in Sabine Pass, TX being constructed by Sunland Construction, Inc.

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:

**1. §192.225 Welding Procedures**

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

**(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.**

GPPL has provided documentation stating it chose to qualify its welding procedures per API 1104, 19<sup>th</sup> Edition. Additionally, GPPL has opted to utilize API 1104, 19<sup>th</sup> Edition's Appendix A – Alternative Acceptance Standards for Girth Welds to qualify the acceptance standards for their automated welding procedures.

As incorporated by reference, API 1104's (19th edition) Appendix A requires requalification of a welding procedure when a change in an essential variable occurs.

Specifically, under Section A3 Welding Procedure, A3.1 General:

*"Any change in the essential variables specified below shall require re-qualification of the welding procedure"*

Listed essential variables include:

*"b. A change in the grade or manufacturer of the pipe material or a basic change in the chemical composition or processing by a single manufacturer."*

At the time of the inspections, GPPL was joining pipe segments of a common diameter (42"), grade (X70), wall thickness (0.617"), standard (5L) from three different pipe material sources (Mittal, Salzgitter & Voest/Alpine).

Only two automated welding procedures had been qualified for joining the following pipe material combinations:

- SCI-GPPL-101 (Mittal/Salzgitter)
- SCI- GPPL-301 (VoestAlpine/VoestAlpine)

GPPL did not provide documentation that they have qualified the automated welding procedures being used for the other four combinations of pipe (Mittal/Mittal, Salzgitter/Salzgitter, Mittal/VoestAlpine, and Salzgitter/ VoestAlpine) per API 1104 (19<sup>th</sup> Edition).

Subsequently, GPPL responded by letter (August 14, 2008) to PHMSA's request for additional information concerning the manner its welding procedures were sufficiently qualified per the API 1104, 19<sup>th</sup> Edition.

In GPPL's response, it confirmed its use and understanding of Appendix A's "alternative acceptance standards" to qualify its procedures and contended it did not need to address the issue of joining dissimilar plates. GPPL opined that the consistency of manufacturing and the chemical composition between the different plate manufacturers were so similar that retests between the varying combinations of plate joined were unnecessary.

GPPL further cited in its justifications references from ASME Sect. IX QW 403.5 (c)

*"...If, however, two or more qualification records have the same essential and supplementary essential variables, except the base numbers are assigned to different Group numbers within the same P-number, then the combination of base metals is also qualified. In addition, when base metals of two different P-Number and Group Number combinations are qualified using a single test coupon, that coupon qualifies the welding of those two P-Number Group Numbers to themselves as well as to each other using the variables qualified..."*

Regulatory code §192.225 allows for either API 1104, 19<sup>th</sup> Edition or section IX of the ASME Boiler and Pressure Vessel Code to be utilized for the qualification of welding procedures, but not both.

API 1104, 19<sup>th</sup> Edition's Appendix A specifically requires requalification of a welding procedure when an essential variable such as a change in the grade or manufacturer (Mittal, Salzgitter, Voest/Alpine) of the pipe material occurs. GPPL has not fully satisfied the requirements set forth in the API 1104, 19<sup>th</sup> Edition, Appendix A standards.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Golden Pass Pipeline LP refer to the Proposed Compliance Order that is enclosed and made a part of this Notice.

Response to this Notice

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). 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.

In your correspondence on this matter, please refer to **CPF 4-2008-1017** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

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

## **PROPOSED COMPLIANCE ORDER**

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

1. In regard to Item Number 1 of the Notice, Golden Pass Pipeline must qualify all of its welding procedures per API 1104 (19<sup>th</sup> Edition), based upon §192.225 guidelines.
2. Golden Pass Pipeline must address the issues detailed in Item 1 above within 30 days after receipt of a Final Order and submit to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration.
3. Golden Pass Pipeline shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mr. R.M. Seeley, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.