

WARNING LETTER

VIA ELECTRONIC MAIL TO: jeremy.horn@goldenpasslng.com

August 16, 2024

Jeremy Horn
Vice President of Operations
Golden Pass LNG Terminal, LLC
350 Pine Street Suite 1500
Beaumont, Texas 77701

CPF 4-2024-039-WL

Dear Mr. Horn:

From December 7-8, 2023, and April 10-11, 2024 of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an on-site inspection of Golden Pass LNG Terminal, LLC's (Golden Pass LNG) LNG export facility construction project in Sabine Pass, Port Arthur, Texas.

As a result of the inspection, it is alleged that Golden Pass LNG has 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. § 193.2301 Scope.

Each LNG facility constructed after March 31, 2000 must comply with requirements of this part and of NFPA 59A (incorporated by reference, see § 193.2013). In the event of a conflict between this part and NFPA-59A-2001, this part prevails.

Golden Pass LNG failed to construct its facility in accordance with the requirements of 49 C.F.R. Part 193 and NFPA-59A-2001 as required by § 193.2301. Specifically, Golden Pass LNG failed to install spring washers or similar devices on bolted flanges that are designed to compensate for contraction and expansion during operating cycles in accordance with sections 6.1 and 6.3.1 of

NFPA-59A-2001). Chapter 6 of NFPA-59A-2001 contains requirements for piping systems and components for flammable liquids and flammable gases with service temperatures below -20°F (-29°C). Section 6.3.1. requires the use of spring washers or similar devices designed to compensate for the contraction and expansion of bolted components during operating cycles.

Golden Pass personnel stated that no washers were being used because during the design phase, any such bolted connection that indicated from the stress analysis and evaluations that it would leak was subjected to amending the size and wall thicknesses for the supports and other components. Golden Pass LNG personnel stated this was done to ensure the connections would not leak from the contraction and expansion of these connections. Records to demonstrate this evaluation and mitigation process was carried out and could not be provided. Therefore, Golden Pass LNG failed to construct its facility in accordance with the requirements of 49 C.F.R. Part 193 and NFPA-59A-2001 as required by § 193.2301.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

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 Golden Pass LNG, 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 4-2024-039-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,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Steven Andrews, Sr. Regulatory Advisor, steven.andrews@goldenpasslng.com