

Received 09/01/2015

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August 21, 2015

Byron Coy, PE  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Division  
U.S. Department of Transportation  
Mountain View Office Park  
820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628

Re: Niagara Mohawk Power Corporation (Niagara) Liquefied Natural Gas (LNG) Facility in Providence, RI  
CPF 1-2015-3002M

Dear Mr. Coy:

On July 2, 2015, the Pipeline and Hazardous Materials Safety Division ("PHMSA") of the U.S. Department of Transportation issued a Notice of Amendment ("NOA") to Niagara Mohawk Power Corporation ("Niagara" or the "Company"). The NOA relates to an apparent inadequacy found within Niagara's plans or procedures observed during PHMSA inspections of the Niagara Liquefied natural gas plant in Providence, Rhode Island between October 20 and October 24, 2014. The apparent inadequacies, as described within the NOA (CPF 1-2015-3002M dated July 2, 2015) are described below:

1. "Niagara's procedures are inadequate in that they fail to address the requirements for creating and submitting supplemental reports as prescribed in §191.15(c) and required by 193.2011," and "During the inspection, the PHMSA inspector reviewed Niagara's procedure G-32-R2 'General Policies – Notifications to Regulatory Agencies', revised 4/2014. The procedure does not address the creation or submission of supplemental reports."
2. "Niagara's Corrosion Control procedures are inadequate in that they fail to define what experience and training is necessary to qualify a person in corrosion control technology as per §193.2707(c)," and "During the inspection the PHMSA inspector reviewed Niagara's Corrosion Control Policy revised 4/2014. The PHMSA inspector noted that there was no specific mention of requirements for qualifying the person or people responsible for corrosion control. The inadequacy was discussed at the exit interview and Niagara agreed that this information was not in the procedure."

Niagara Mohawk Power Corporation's Response to this Notice

The Company agrees to make the necessary changes to the referenced procedure, G-32-R2, and to procedure G-11-R6, which was not referenced in the NOA letter, but is the appropriate procedure to contain the required experience and training requirements necessary to qualify a person in corrosion control technology.

The company has drafted appropriate revisions to these procedures. In order to ensure that the revisions are sufficient to comply with the stated code citations, the draft procedures are enclosed for your review. Upon acceptance by your office, Niagara will initiate all necessary steps in finalizing these procedures. We will submit the final procedures to PHMSA upon completion of our internal review and documentation process.

In light of the Company's extensive review and approval process across the organization for implementing procedure modifications, we ask that you allow us sufficient time to finalize these documents. While we are confident that the changes will meet the requirements set forth by your office, please let us know if you have any further concerns in this matter.

Thank you for your attention and consideration of this matter.

Sincerely,



John Bruckner, Senior Vice President, US Operations

Cc: Susan Fleck, Vice President, Gas Pipeline Safety and Compliance  
David Lodemore, Senior Counsel II, FERC Regulatory  
Fikret Su, Director LNG Operations  
Robert D. Wilson, Director Compliance and Strategy