

March 8, 2019

Mr. Robert Wilson
Vice President of Operations
Distrigas of Massachusetts, LLC
18 Rover Street
Everett, MA 02149

Re: CPF No. 1-2018-3004

Dear Mr. Wilson:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and finds that Distrigas has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Ms. Susan A. Stritter, Regulatory Compliance Manager, Distrigas of Massachusetts,
LLC, 18 Rover Street, Everett, MA 02149
Mr. Frank Demaille, President and Chief Executive Officer, ENGIE Gas & LNG, LLC,
1990 Post Oak Boulevard, Suite 1900, Houston, TX 77056

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)
In the Matter of)

Distrigas of Massachusetts, LLC,)
a subsidiary of ENGIE Gas & LNG, LLC,)

Respondent.)
_____)

CPF No. 1-2018-3004

FINAL ORDER

From July 17 through 21, 2017, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Distrigas of Massachusetts, LLC’s (Distrigas or Respondent) Everett Marine Terminal in Everett, Massachusetts. The liquefied natural gas (LNG) import terminal has connections with two interstate pipeline systems, as well as a local gas utility’s distribution system.¹ The company serves nearly every gas utility in New England, as well as key power producers, and is directly connected to a neighboring 1,550-megawatt power plant capable of generating enough electricity for about 1.5 million homes in Greater Boston.²

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated April 20, 2018, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Distrigas had violated 49 C.F.R. § 193.2605 and proposed ordering Respondent to take certain measures to correct the alleged violation.

On May 17, 2018, Distrigas requested a hearing, provided a statement of issues, and requested an informal meeting to discuss the Notice. On July 30, 2018, pursuant to Distrigas’s request, PHMSA held an informal meeting in Trenton, New Jersey. By letter dated September 17, 2018, Respondent withdrew its request for a hearing, submitted its amended procedures pursuant to the terms of the Proposed Compliance Order, and thereby authorized the entry of this Final Order without further notice.

¹ Pipeline Safety Violation Report (Violation Report) (Apr. 20, 2018) (on file with PHMSA), at 1.

² Distrigas is a subsidiary of Engie Gas & LNG, LLC. ENGIE website, *available at* <http://www.engie-na.com/business/natural-gas-lng/> (last accessed Oct. 29, 2018).

FINDING OF VIOLATION

In its Response, Distrigas did not contest the allegation in the Notice that it violated 49 C.F.R. Part 193, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 193.2605(b)(1), which states:

§ 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedure must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance.

The Notice alleged that Respondent violated 49 C.F.R. § 193.2605(b)(1) by failing to follow its manual of written operating procedures for each component, specifically, emergency shutdown (ESD) control systems. The Notice alleged that Distrigas did not follow its Everett Maine Terminal Maintenance Procedure Manual, Process Control System, Loop Testing, dated November 17, 2016, by failing to perform an annual inspection of its ESD control systems that includes all elements of the control system.

During the inspection, the inspector requested missing ESD testing records and Distrigas was unable to provide any documentation that demonstrated that the missing ESD initiating devices were included in the annual inspection and calibration required by its procedure.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 193.2605(b)(1) by failing to follow its manual of written operating procedures for each component, specifically ESD control systems.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 193.2605(b)(1). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 193.2605(b)(1) (**Item 1**), Respondent has revised its procedures to address the inconsistencies between the written procedure, the process described in the instructions on its individual ESD testing records, and the implementation of these processes.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

March 8, 2019

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued