



U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

July 9, 2015

Marie E. Jordan
Senior Vice President
Niagara Mohawk Power Corporation
40 Sylvan Road
Waltham, MA 02451

CPF 1-2015-3003

Dear Ms. Jordan:

From October 20 through October 24, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Niagara Mohawk Power Corporation (Niagara) Liquefied Natural Gas (LNG) Facility in Providence, Rhode Island.

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 item inspected and the probable violation is:

1. **§193.2605 Maintenance procedures.**
 - (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; and...**

Niagara failed to follow its written maintenance procedures for C-1 Boil-Off Compressor Isolating and Purging.

During the inspection, the PHMSA inspector reviewed Niagara's C-1 Boil-Off Compressor Isolation and Purge maintenance procedure, 4.PR-IP2 Rev2 revised 7/2012, and the records required by the procedure.

Section 1.0 - Purpose, states that "This procedure shall be used when the C-1 boil-off compressor is shutdown for repair or maintenance work."

Section 5.0 – Instructions, provides a checklist for isolating the equipment.

Section 6.0 – Records, provides documentation requirements. Section 6 states:

- “6.1 The completed, signed checklist is to be forwarded to the Plant Supervisor.
- 6.2 Update the plant logbook with the status change of C-1.

6.3 Plant Management will review the submitted forms and logbook for accuracy and sign.

6.4 Records shall be retained on file at the Plant for a minimum of five (5) years.”

According to the Niagara logbook on October 23, 2013, “we will be venting gas to purge Boiloff compressor Shutdown Boiloff compressor #2, 0% LEL for purge points on C-1.” The PHMSA inspector requested the checklist required by Section 5 of the procedure and Niagara provided a record that they indicated was for the work performed on October 23, 2013. The PHMSA inspector reviewed the record and noted that portions were not signed and the record was not dated.

The PHMSA inspector discussed this record with Niagara’s Plant Supervisor and Plant Manager. The Plant Supervisor stated that the record should have been completed and signed by Niagara’s staff and then reviewed and signed by the Plant Supervisor.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$11,500 as follows:

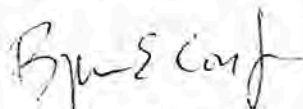
<u>Item number</u>	<u>PENALTY</u>
1	\$11,500

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. All material submit in response to this enforcement action may be 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 1-2015-3003** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*