U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

# NOTICE OF AMENDMENT

**OVERNIGHT EXPRESS DELIVERY**

May 11, 2017

Robert Wilson, Chief Executive Officer
ENGIE Gas & LNG
1990 Post Oak Boulevard, Suite 1900
Houston Texas, 77056-4499

**CPF 1-2017-3001M**

Dear Mr. Wilson:

From October 18-21, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Distrigas of Massachusetts' (Distrigas) maintenance procedures in Everett, Massachusetts.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Distrigas' plans or procedures, as described below:

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…**

Distrigas' corrosion control procedures are inadequate in that they do not contain guidance for identifying, testing for, and minimizing the detrimental effects of interference currents as prescribed in §193.2633.

§193.2633 Interference Currents states:

"(a) Each component that is subject to electrical current interference must be protected by a continuing program to minimize the detrimental effects of currents."

During the inspection, the PHMSA inspector reviewed Distrigas' annual cathodic protection survey records for 2014 and 2015. The records indicated that coupons were installed to the vent stack pilings in December 2015 as a corrective measure due to concerns of interference currents.

The PHMSA inspector requested procedures addressing the monitoring of these coupons for interference currents. Distrigas provided two plant maintenance procedures, EMT 049-M/Corrosion Control Monitoring, Revised 3/2/16 and EMT 107-M/Cathodic Protection Systems, Revised 3/2/16. In addition, these procedures refer to the adopted plan of its corrosion contractor, Corrosion Probe, Inc. (CPI), entitled Comprehensive Plan for Plant-Wide Corrosion Inspection/Monitoring/Protection Program, Everett Plant, Revised 8/5/03 (CPI Plan). Neither the maintenance plans nor the CPI Plan provided adequate detail on the testing, monitoring or the remediation of interference currents.

2. **§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...**

Distrigas' corrosion control procedures are inadequate in that they do not provide guidance for performing testing on buried steel components under cathodic protection in accordance with §193.2635.

§193.2635 states:

"Corrosion protection provided as required by this subpart must be periodically monitored to give early recognition of ineffective corrosion protection, including the following, as applicable:

(a) Each buried or submerged component under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463 of this chapter."

During the inspection, the PHMSA inspector reviewed Distrigas' procedures for external corrosion control monitoring. Distrigas' procedures, CPI Comprehensive Plan_Plant Wide Corrosion Inspection-Monitoring-Protection Program, Revised 8/5/03, Sec. 6 and EMT-049M, Revised 3/2/16, Sec. 2, specify the interval for testing, and other prescriptive requirements such as the cathodic protection criteria utilized.

In its annual cathodic protection surveys, Distrigas employs the -850 mV and 100 mV shift criteria. The procedures fail to provide guidance for a corrosion technician to perform the actual testing of components to determine compliance with these criteria.

3. **§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: ...**

**(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.**

Distrigas' corrosion control procedures are inadequate in that they do not provide guidance for taking prompt corrective or remedial action on the cathodic protection (CP) system in accordance with §193.2637.

§193.2637 Remedial Action states:

"Prompt corrective or remedial action must be taken whenever an operator learns by inspection or otherwise that atmospheric, external, or internal corrosion is not controlled as required by this subpart."

During the inspection, the PHMSA inspector reviewed Distrigas' procedures for corrosion control remedial actions. Distrigas' CPI Comprehensive Plan for Plant-Wide Corrosion Inspection/Monitoring/Protection Program, Revised 8/5/03, Section 5, Remediation/Maintenance, addresses taking remedial actions on the CP system utilized for external corrosion control. Section 5.4 Remedial Method Procedures, (C) Cathodic Protection System states in part:

"...Each of the inspections will include submittal of a written report to Distrigas identifying all Potential and Current Measurements, inspection findings, and recommendations for repair or maintenance work. This work will be performed by Corrosion Probe, Inc."

This procedure does not include sufficient guidance to address the requirements of §193.2637 regarding deficiencies with the CP system, such as:

1. Specifying required response time for "prompt" remedial action
2. Prescribing and detailing appropriate corrective or remedial actions

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of

receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Distrigas maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1- 2017-3001M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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