

## NOTICE OF AMENDMENT

### OVERNIGHT EXPRESS DELIVERY

September 17, 2019

Frank Katulak  
President & Chief Operating Officer  
Distrigas of Massachusetts, LLC  
18 Rover Street  
Everett, MA 02149

**CPF 1-2019-3001M**

Dear Mr. Katulak:

On June 11 to June 13, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Distrigas of Massachusetts, LLC (Distrigas)'s LNG Terminal in Everett, Massachusetts.

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

1. **§ 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 procedures must include:**
    - (1) **The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance; and**
    - (2) **A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.**

Distrigas' procedures for the maintenance of each component were inadequate. Specifically, Distrigas' Everett Marine Terminal Operating Procedure Manual – Truck Loading EMT-05,

updated 3/3/18 (Procedure) failed to include adequate guidance on record keeping for the testing of transfer hoses required by § 193.2621(b).

Section 193.2621(b) states:

“Hoses used in LNG or flammable refrigerant transfer systems must be:

...

(b) Visually inspected for damage or defects before each use.”

During the inspection, the PHMSA inspector reviewed Distrigas’ Procedure and associated 2018 Records for the testing of transfer hoses before each LNG truck loading transfer, identified by Distrigas as its Uniform Straight Bill of Lading document. The Records indicated many missing content fields including, but not limited to: “load number”, “out time”, “carrier per”, “hot tank”, “trailer plate”, “state.” The Procedure failed to include sufficient guidance on how to record the information on the Bill of Lading record. When the PHMSA inspector asked Distrigas how and when this data is to be completed, Distrigas provided the Procedure.

The Procedure failed to provide details such as:

- Record retention requirements
- Identification of what form/document, name/number that LNG truck loading transfers and transfer hose visual inspections are to be documented on
- A definition of “Operator”, “Shipper, Per” and “Carrier, Per” from the Bill of Lading record fields
- Who completes/signs off on the Bill of Lading records
- Details of the frequency of completing Bill of Lading records

Subsequent to the PHMSA inspection, Distrigas provided an updated version of the Procedure, revised 6/25/19. However, this revised procedure failed to address the recordkeeping details listed above.

Therefore, Distrigas failed to include adequate guidance in its maintenance procedures on record keeping for its testing of transfer hoses required by § 193.2621(b).

### 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 Enforcement 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 30 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 of Massachusetts, LLC 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, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2019-3001M** 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](mailto:robert.burrough@dot.gov). Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

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