

June 9, 2020

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Division
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

Re: Niagara Mohawk Power Corporation (Niagara) Liquefied Natural Gas (LNG) Facility
in Providence, RI. **CPF 1-2020-003-NOPV**

Dear Mr. Burrough:

On May 12, 2020, the Pipeline and Hazardous Materials Safety Division (“PHMSA”) of the U.S. Department of Transportation issued a Notice of Probable Violation (“NOPV”) to Niagara Mohawk Power Corporation (“Niagara” or the “Company”). The NOPV relates to a covered impounding system observed during PHMSA’s inspection of the Niagara liquefied natural gas plant in Providence, Rhode Island between February 4 and February 6, 2020. The issue, as stated in the NOPV, is described below:

1. § 193.2167 - Covered systems.

A covered impounding system is prohibited except for concrete wall designed tanks where the concrete wall is an outer wall serving as a dike.

Niagara failed to prohibit the use of a covered impounding systems at its Providence, Rhode Island LNG facility. Specifically, Niagara installed and maintained metal plates which were secured to the bottom of the grating above the LNG spillway trenches, creating a covered impoundment system prohibited by § 193.2167.

PHMSA issued a Proposed Compliance Order with the NOPV, in which Niagara is ordered to “modify or remove” the metal plates covering the spillway trenches.

Niagara’s Response to the Notice of Probable Violation

The Company accepts the Proposed Compliance Order and has already removed the metal plates over the spillway trenches. I have attached photographs showing the removal. Niagara notes that the metal plates were secured in such a way as to maintain ventilation space at the

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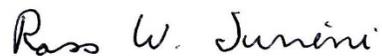
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sides of the plates, which, the Company believed, provided adequate air flow around the spillway trenches. The Company, however, respects the view of the PHMSA inspection team and has chosen not to contest the finding.

In addition to the NOPV, the letter of May 12, 2020 also identified two instances in which maintenance records were missing. In each case there was secondary evidence to document that the work had been performed. In its letter of May 12, 2020, PHMSA characterized these missing documents as "Warning Items" and stated: "We have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time." The Company appreciates PHMSA's forbearance and undertakes to re-train all plant operators in maintenance procedure protocols. The Company will retain records of this supplemental training and they will be available for inspection at PHMSA's request.

Thank you for your kind attention to this matter.

Sincerely,



Ross Turrini

SVP, Gas Process and Chief Engineer

Attachment

Cc: Badar Khan, President, National Grid USA
Cordelia O'Hara, Chief Operating Officer, Gas Operations