U.S. Department
of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER

OVERNIGHT EXPRESS DELIVERY

May 12, 2020

Badar Khan
President
National Grid USA
40 Sylvan Road
Waltham, MA 02451

CPF 1-2020-003-NOPV

Dear Mr. Khan:

From February 4, 2020 - February 6, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Niagara Mohawk Power Corporation (Niagara)'s Providence LNG Plant in Providence, Rhode Island. Niagara is a subsidiary of National Grid USA.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation(s) are:

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.

During the inspection, the PHMSA inspector observed the metal plates in the facility which are located over the drainage channel leading to the LNG storage tank containment area. The plates were identified as having been installed in 2000 and 2016 for a roadway spillway and pump skid spillway, respectively. When the PHMSA inspector inquired about the installation

and placement of the metal plates, Niagara stated, "Light gauge stainless steel plates were installed over LNG spill drainage channels to provide cover over the trench and prevent snow/ice from accumulating within the trench."

Niagara was unable to demonstrate or justify how this metal grate system is not a covered system. Therefore, Niagara utilized a prohibited, covered impounding system at its Providence LNG facility, in violation of § 193.2167.

2. § 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...

Niagara failed to follow its manual of written procedures for the maintenance of each component. Specifically, Niagara failed to follow its *17.PR-M6 Annual Pipe Support Inspections*, Rev 7 (Procedure) for conducting an annual inspection of pipe supports.

During the inspection, the PHMSA inspector requested records for pipe support inspections for the calendar years 2017 – 2020. The PHMSA inspector also reviewed the Procedure Section 9.0 which states, "In accordance with 49 CFR 193.2609, each support system or foundation of each component must be inspected for any detrimental change that could impair support." In comparison to the other years, the 2019 annual pipe support record did not contain a record of support inspections for many areas of the plant, including, but not limited to the:

- Pipe Racks from the LNG Pumps to the Vaporizer Area
- Vaporizer Area
- Vaporizers to Boiloff Compressors
- Truck Unloading Skid to Dike Wall
- Boiloff Compressor Building to Plant Fence

When the PHMSA inspector asked for the missing sheets from the 2019 annual pipe support record, Niagara stated that the "Procedure was originally performed in August 2019 (17.PR-M6) but part of the completed record is missing (pages 2 and 3). A similar procedure is conducted annually by a process improvement engineer (PR Cryogenic Supp Insp Sheets Annual 2019). The procedure was re-performed in February 2020 (17.PR-M6)..."

However, the "PR Cryogenic Support Inspection Sheets Annual 2019" record did not contain the same requirements as stated in Niagara's Procedure, did not appear to cover all areas of the plant subject to inspection in prior years, and included some inspections performed in 2018.

Therefore, Niagara failed to conduct the 2019 annual pipe support inspection in accordance with its Procedure, as required per § 193.2605(b).

3. § 193.2605 - Maintenance proeedures.

(a) ...

(b) Eaeh operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control...

Niagara failed to follow its manual of written procedures for the maintenance of each component. Specifically, Niagara failed to follow its *99.PR-M2 Annual A[utomated] E[mergency] S[hutdown] (AESD) System Test Procedure*, Rev 6 (Procedure) for performing and documenting annual testing of the emergency shutdown system during calendar year 2017.

Niagara's Procedure, Section 2.1 states, "The plant AESD is a total plant shutdown system with (7) PSD stations, and (1) ESD each performing the same set of functions." Section 7.0, Records, states:

> 7.1 Test sheets shall be signed by the individuals(s) completing the test(s) and submitted to the Plant Management for review and signature. A notation of this completed work shall be entered into the Plant Log Book.
>
> 7.2 Plant Management shall review the submitted forms for accuracy and then approve.
>
> 7.3 The Log Book and other maintenance records shall be retained on file at the Plant for a minimum of five (5) years.

During the inspection, the PHMSA inspector requested records for the annual emergency shutdown testing for the calendar years 2017 through 2019. The PHMSA inspector was provided records for the calendar years 2018 and 2019. When the PHMSA inspector inquired about the missing 2017 records, Niagara responded that the "Missing Record Reconciliation Form, contains the reconciliation form which references supplemental documentation which validates that the ESD testing was performed in 2017. These supplemental documents include the logbook entry capturing the ESD test performed on that day (October 9, 2017). The other document is a printout of the SCADA historian, which logged all the ESD associated alarms that came through the PLC during testing."

This reconciliation form record was dated August 20, 2019, which is more than 19 months after the due date for completion of the testing. The supplemental documents it includes did not contain the approved test sheet records required by Niagara's Procedure and subject to the Procedure's 5-year retention requirement. Therefore, Niagara failed to document the 2017 annual emergency shutdown system test in accordance with its Procedure, as required by § 193.2605(b).

Warning Items

With respect to items 2 and 3, 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. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

Proposed Compliance Order

With respect to item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Niagara Mohawk Power Corp. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 you 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 1-2020-003-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough
Director, Eastern, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

CC: Mr. Ross Turrini, Senior Vice President, Gas Processing & Engineering, Niagara Mohawk Power Corp., 25 Hub Drive, Melville, NY 11747

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Niagara Mohawk Power Corp (Niagara) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Niagara with the pipeline safety regulations:

A. In regard to Item Number 1 of the Notice pertaining to §193.2167 Covered systems, Niagara must modify or remove the metal plates at the Providence LNG facility to achieve compliance with § 193.2167 within 60 days of receipt of the Final Order.

It is requested (not mandated) that Niagara maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.