



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

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

WARNING LETTER

VIA ELECTRONIC MAIL TO: grichman@njresources.com

July 9, 2021

Ms. Ginger Richman
President
Adelphia Gateway, LLC
1415 Wyckoff Road
PO Box 1464
Wall, NJ 07719

CPF 1-2021-053-WL

Dear Ms. Richman:

From January 26 to March 17, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of United States Code (U.S.C.) inspected Adelphia Gateway, LLC's (Adelphia) pipeline project in Collegeville, Quakertown, and Linwood, PA.

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 violations are:

1. § 192.225 Welding procedures.

(a) Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 192.7), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see § 192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures must be determined by destructive testing in accordance with the applicable welding standard(s).

Adelphia failed to perform welding in accordance with a procedure qualified under API 1104 to produce a weld meeting the requirements of 49 CFR 192 Subpart E. Specifically, mainline valve weld ID #ATI-003 welded on 12/08/20 at the Baltimore Pike mainline valve (MLV) site was produced in the absence of a qualified welding procedure specification (WPS) meeting the material grade grouping requirements of the 20th Edition of API 1104 Section 5.4.2.2 (b). The specific WPS covering the proper grouping of material grades for weld ID #ATI-003, which involved the joining of grade X52 pipe material to existing with the title of NJR-X60-V-G1&2, was not produced and qualified for use on the Adelphia Gateway Project (AGP) until December 30, 2020, thus rendering weld ATI-003 completed on December 8, 2020 in violation of § 192.225(a).

During inspections in January and March 2021, the PHMSA inspector reviewed main line valves (MLV) already installed, along with associated welding records. The review included a welding procedure entitled BW-3 which was developed by J.F. Kiely Construction, a contractor for the AGP. BW-3 covered a single material grouping for Grade X65 pipe material. Existing mainline piping was comprised of Grade X52 material. The MLV sets installed to date were pre-fabricated, and were made up of short 18" diameter pipe pups welded to the MLV.

On February 3, 2021, the PHMSA inspector requested the complete project data package for the prefabricated MLV. This data was requested to verify material grade of the pipe pups, as that information was noted to be completely obscured by FBE coating applied by 3rd party vendor Big Elk Energy Systems. The PHMSA inspector noted that AGP involves the installation of nine MLVs, two of which were already installed as of February 8, 2021. The Baltimore Pike MLV had been installed and backfilled prior to the March 2021 inspection, and Perkiomen MLV was installed and being prepared for backfill.

Based on review of documents received on February 8, 2021, the material grade of the MLV pipe pups were noted to be X52. Prior to the March 2021 inspection, the PHMSA inspector requested a copy of a qualified WPS that covered all newly installed MLV welds completed on the AGP, specifically a WPS that covered material grades less than X65. Adelphia responded to the WPS request via email on March 15, 2021, then further requested a phone call to discuss the NJR-X60-V-G1&2 WPS which was attached, and covered API 5L pipe grade material greater and/or equal to X42 up to and including X60. However, as noted above, NJR-X60-V-G1&2 had not been produced and qualified for use on the AGP until December 30, 2020.

On March 16, 2021, while on-site at the Perkiomen MLV, the PHMSA inspector received a call from the regulatory liaison on the AGP. During the call, Adelphia conveyed that based on review of records that the PHMSA inspector requested, one 18-inch mainline weld produced as part of the Baltimore Pike MLV installation, and later identified as weld ID #ATI-003, was not performed in accordance with a qualified welding procedure as required by § 192.225(a). Weld ID #ATI-003 was produced on December 8, 2020, 22 days prior to the production and qualification of WPS NJR-X60-V-G1&2. Adelphia understood that by fabricating the weld prior to the development of a pertinent qualified WPS, that weld could not be determined to possess suitable mechanical properties and soundness as required by § 192.225(a). Thus, Adelphia decided to cutout and replace weld ID #ATI-003. The replacement was completed on March 30, 2021.

Therefore, Adelphia failed to perform welding in accordance with § 192.225(a) as it pertains to API 1104, Section 5.

2. § 192.305 Inspection: General.

Each transmission line or main must be inspected to ensure that it is constructed in accordance with this part.

Adelphia failed to inspect installation of the Perkiomen MLV set as it pertains to § 192.225(a). Specifically, Adelphia failed to record the weld procedure specification (WPS) that was utilized for two welds, #ATI-001P and #ATI-002, carried out as part of the 18-inch diameter Perkiomen MLV installation on January 21, 2021, on its inspection reports.

Section 192.225(a) states in part:

Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 192.7), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see § 192.7) to produce welds meeting the requirements of this subpart...

Following inspections conducted March 16-17, 2021, the PHMSA inspector requested a copy of the Welding Inspector's Daily Report (WIDR) to ascertain the WPS that was utilized during the installation of the Perkiomen MLV set on January 21, 2021. Review of said record revealed discrepancies that appear to reference a § 192.225(a) non-compliant WPS, and comments within the WIDR depict use of a project contractor's (Kiely) WPS which was identified as BW-3.

Preceding the request and review of the WIDR, the PHMSA inspector contacted the certified welding inspector (CWI) who produced the report, and questioned what procedure was utilized for the Perkiomen MLV installation. The CWI's response stated that to his recollection, the New Jersey Resources NJR-X60-V-G1&2 WPS (NJR-X60-V-G1&2) was utilized. Note, NJR-X60-V-G1&2 was previously deemed compliant by the PHMSA inspector. An explanation of the apparent discrepancies in the record was requested of Adelphia. Adelphia in-turn produced the CWI's personal notebook entry for January 21, 2021, an unofficial record, that referenced NJR-X60-V-G1&2.

Following review of all pertinent documentation, the PHMSA inspector requested Adelphia correct discrepancies in the WIDR for January 21, 2021, and the responsible CWI's signature be affixed as necessary. Also, to be consistent with reports provided for other sections of the project, the PHMSA inspector requested that the WIDR tie the qualified WPS being followed to the weld(s) produced.

Therefore, by not initially providing official documentation that indicate a qualified WPS was followed in the production of Perkiomen MLV welds #ATI-001P and #ATI-002, Adelphia failed to comply with § 192.305 as it pertains to § 192.225(a).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related

series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 correct the items identified in this letter. Failure to do so will result in Adelpia Gateway, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2021-053-WL**. 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).

Sincerely,

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