

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

April 2, 2018

Anthony Scaraggi
Vice President of Operations
Distrigas of Massachusetts LLC
18 Rover Street
Everett, MA 02149

CPF 1-2018-3003M

Dear Mr. Scaraggi:

From July 17 – 21, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Distrigas of Massachusetts LLC's (Distrigas) maintenance procedures for the Everett Marine Terminal in Everett, Massachusetts.

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

1. § 193.2605(b) 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 inspection 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 relief valve testing were inadequate in that they did not include the proper frequency of performance. Specifically, Distrigas' Everett Marine Terminal Maintenance

Procedure Manual – Relief Vales-EMT-053M, dated 11/17/16 (Procedure) failed to state adequate inspection frequencies for relief valves in accordance with § 193.2619(c).

Section 193.2619(c) states:

“Control systems in service, but not normally in operation, such as relief valves and automatic shutdown devices, and control systems for internal shutoff valves for bottom penetration tanks must be inspected and tested once each calendar year, not exceeding 15 months, with the following exceptions:

- (1) Control systems used seasonally, such as for liquefaction or vaporization, must be inspected and tested before use each season.
- (2) Control systems that are intended for fire protection must be inspected and tested at regular intervals not to exceed 6 months.”

During the inspection, the PHMSA inspector reviewed Distrigas’ Procedure. The Procedure stated, “Relief Valves Equipment Inspection and Testing (PM)... Annual inspection and test of all plant relief valves and semi-annual test of trailer/skid mounted dry chemical relief valves.”

The Procedure failed to include information such as:

- The proper inspection and testing frequency requirements for relief valves
- The proper inspection and testing frequency requirements for fire protection relief valves
- Testing requirements for seasonal liquefaction or vaporization equipment relief valves, if applicable

Therefore, Distrigas failed to state the adequate inspection frequency for relief valves in its maintenance procedures, in accordance with § 193.2619(c).

2. § 193.2605(b) Maintenance Procedures.

- (a) Each operator shall determine and perform, consistent with generally accepted engineering practice, the periodic inspections or tests needed to meet the applicable requirements of this subpart and to verify that components meet the maintenance standards prescribed by this subpart.**
- (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 detailed 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 maintenance of hoses used in LNG or flammable refrigerant transfer systems were inadequate. Specifically, Distrigas’ Truck Load Hoses – EMT-029M procedure, dated 09/24/2013 (Procedure) failed to include the proper maximum pump pressure or relief valve settings, per the requirements of § 193.2621.

Section 193.2621 states:

“Hoses used in LNG or flammable refrigerant transfer systems must be: (a) Tested once each calendar year, but with intervals not exceeding 15 months, to the maximum pump pressure or relief valve setting...”

During the inspection, the PHMSA inspector review Distrigas’ Procedure. The Procedure stated, “Pressure test all Truck Load Liquid & Vapor Hoses at 165 psig for 10 minutes using nitrogen.”

Distrigas’ Procedure failed to include the following information, but not limited to:

- Require testing of LNG or flammable refrigerant transfer hoses once each calendar year, but with intervals not exceeding 15 months
- Require testing of LNG or flammable refrigerant transfer hoses to the maximum pump pressure or relief valve setting

During the inspection, the PHMSA inspector asked Distrigas to explain the 165 psig, 10-minute pressure test. Distrigas was unable to identify the significance of the test parameters or determine which equipment these parameters were linked to.

Therefore, Distrigas failed to include adequate procedures for its testing of transfer hoses, per the requirement of § 193.2621.

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 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, 820 Bear Tavern Road, Suite 103, West Trenton, New Jersey 08628. Please refer to **CPF 1- 2018-3003M** 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.

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 Compliance Proceedings*