

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

May 7, 2024

Mr. Thomas Meissner
President and Chief Executive Officer
Granite State Gas Transmission Inc
6 Liberty Lane W.
Hampton, New Hampshire 03842

CPF 1-2024-026-WL

Dear Mr. Meissner:

From April 4, 2023 through June 2, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an integrity management inspection of Granite State Gas Transmission Inc's (Granite State) procedures and records.

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

1. § 192.947 What records must an operator keep?

An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At minimum, an operator must maintain the following records for review during an inspection.

(a) ...

(d) Documents to support any decision, analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements;

Granite State failed to maintain records to support any decision, analysis and process used to implement and evaluate an element of its integrity management program. Specifically, Granite State failed to maintain in-line inspection assessment validation records in accordance with § 192.947(d).

During the inspection, PHMSA requested records regarding validation of in-line inspection assessments. Granite State provided its *ID Smith Pipeline Engineering – Final Report Validations, dated 06/29/23* (Validation Reports) and *ILI Assessment Spreadsheet, dated 06/29/23* (Assessment Spreadsheet). The Assessment Spreadsheet listed (11) total pipeline segments which required an in-line inspection as the last performed reassessment. Furthermore, the Assessment Spreadsheet was not linked or referenced to the integrity management manual, nor was it included as part of its review processes. The Validation Reports were applicable to only (5) of the (11) total assessments which were issued final reports dated from calendar year 2020 through 2023. The Validation Reports, however, failed to include validation from each of the most recent assessment tool runs. When PHMSA asked where the validation reports were for the (6) missing pipeline segments: Maine South, New Hampshire South Extended, Gosling Road West, New Hampshire Portsmouth, New Hampshire Pease Lateral and Maine North which dated as far back as 2017 assessment runs, Granite State discussed how they do not require any actions to be taken or any validation report to be completed within a set timeframe.

Subsequent to the inspection, Granite State stated that it is enhancing its ILI procedure to provide more detail on the timeframes for the validation reports and that it anticipated obtaining additional data for the Pease Lateral, NH South Extension, NH 8” Gas and Maine South. segments by the 3rd quarter of 2024.

Therefore, Granite State failed to maintain records to support a decision, analysis, and process of an element of its integrity management plan, in accordance with § 192.947(d).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not 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.

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 item identified in this letter. Failure to do so will result in Granite State Gas Transmission Inc 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 1-2024-026-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