

WARNING LETTER

VIA ELECTRONIC MAIL TO: jonathan.lauck@constellation.com

August 16, 2024

Jonathan Lauck
Plant Manager
Distrigas of Massachusetts, LLC
18 Rover Street
Everett, Massachusetts 02149

CPF 4-2024-035-WL

Dear Mr. Lauck:

From March 20 to March 24, 2023, and from June 20 to June 2, 2023, of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Distrigas of Massachusetts, LLC's (Distrigas) Everett liquefied natural gas (LNG) Terminal in Everett, Massachusetts.

As a result of the inspection, it is alleged that Distrigas has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (C.F.R.). The item inspected and the probable violation is:

- § 193.2637 Remedial measures.**
Prompt corrective or remedial action must be taken whenever an operator learns by inspection or otherwise that atmospheric, external, or internal corrosion is not controlled as required by this subpart.

Distrigas failed to take prompt corrective or remedial action whenever it learned by inspection or otherwise that atmospheric, external, or internal corrosion is not controlled as required by Part 193, subpart G in accordance with § 193.2637. Specifically, Distrigas failed to take prompt corrective or remedial action when it learned of atmospheric corrosion that was no longer controlled for a pipe support component in area 900 at its LNG facility.

Distrigas provided a 2022 atmospheric corrosion inspection report which identified the pipe support as grade 4, indicating severe corrosion. Distrigas's procedure, *Atmospheric Corrosion*

Control Inspection, EMT-109M, (Rev. F; June, 9,2023), requires replacement of equipment with grade 4 corrosion within six (6) months, not to exceed one year.

Following PHMSA's inspection in March 2023, and prior to PHMSA's inspection in June 2023, Distrigas submitted revised atmospheric corrosion control procedures with a timeframe to remediate corrosion. Distrigas also submitted a schedule for the replacement of the pipe support component in area 900 at its LNG facility with grade 4 corrosion.

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.

Also, for each violation involving LNG facilities, an additional penalty of not more than \$97,179 occurring on or after December 28, 2023 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$94,128 occurring on or after January 6, 2023 and before December 28, 2023 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$87,362 occurring on or after March 21, 2022 and before January 6, 2023 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$82,245 occurring on or after May 3, 2021 and before March 21, 2022 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$81,284 occurring on or after January 11, 2021 and before May 3, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$79,875 occurring on or after July 31, 2019 and before January 11, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$77,910 occurring on or after November 27, 2018 and before July 31,2019 may be imposed.

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 Distrigas of Massachusetts, 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 4-2024-035-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,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Eamon Partos, PE, Principal Compliance Specialist, eamon.partos@constellation.com