



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

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NOTICE OF PROBABLE VIOLATION
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 17, 2020

D.P.U. 19-PL-18

Mr. Mark Kempic
President & Chief Operating Officer
Columbia Gas of Massachusetts
4 Technology Drive, Ste 250
Westborough, MA 01581

Re: [REDACTED] Lawrence (6.19.19)

Dear Mr. Kempic:

The Pipeline Safety Division ("Division") of the Department of Public Utilities ("Department") issues this Notice of Probable Violation ("NOPV") to Bay State Gas Company d/b/a Columbia Gas of Massachusetts ("CMA" or "Company" or "Respondent") pursuant to 220 CMR 69.03 and Delegation Order, D.P.U. 18-44-A (2018).

On June 19, 2019, the Division conducted an inspection of CMA's Over Pressure Protection ("OPP") Installation Project ("Project"). The Project included the installation of a Pietro Fiorenti SBC OPP slam shut at the [REDACTED] regulator station in Lawrence, to conform with new Company policy. Prior to the inspection, CMA provided a

copy of its Standard Operating Procedures (“SOP”), and mapping records for the regulator station. The inspection included the review of the SOP, existing maps and records, operator qualification records, welding activity, and regulators and associated piping. The Division conducted the inspection pursuant to G.L. c.164, §§ 76 and 105A and 220 CMR 69.02.

On August 7, 2019, the Division issued an Exit Letter to CMA outlining preliminary findings from the inspection. The Company responded to the Exit Letter with further information on September 6, 2019. As discussed in further detail below, the Division has reason to believe that Respondent may have violated 49 C.F.R. Part 192 (“Part 192”).

I. FINDINGS

A. Inaccurate Procedures

The SOP for the OPP device installation indicated that the onsite Meters and Regulator (“M&R”) technician was responsible for monitoring system pressures throughout the process. Because this regulator station does not have a bypass around the monitor regulator, the station had to be shut in prior to installing the slam shut device. The Modification Phase: Monitor Regulator Replacement of the SOP, Step 7, required the M&R technician to “Monitor downstream pressure while station is shut in” via a pressure gauge installed on the downstream control (or sense) line. The SOP’s Station Shut-In Procedure required first closing critical valve [REDACTED] (“V-1”, upstream of the station) and then valve V-2 (downstream of the station) to isolate the station from the distribution system. The SOP then called for purging out the station and piping in between these two valves to complete the installation.

On April 4, 2019, prior to this installation, CMA had performed a Control Line Remediation project at the regulator station. The Company abandoned the two existing control lines and installed two new control lines on the outlet station piping connecting to the ■■■ LP main. When CMA installed the two new control lines, it installed both lines upstream of station outlet valve (V-2). With this new configuration, both control lines (and the regulator station) were isolated from the distribution system upon closing valves V-1 and V-2, signifying that the SOP as written, did not provide for proper downstream pressure monitoring during isolation of the station. Nevertheless, the Company did not update or correct the SOP to reflect the new control line locations.

B. Failure to Follow Procedures

The Modification Phase: Monitor Regulator Replacement of the SOP, Step 1, required the Company to “Install pressure gauge on downstream sense line Pete’s Plug,” and to remove it only after installation of the OPP device (Step 35). When the Division inspector arrived on location, the station had already been shut in and the M&R technician was removing the monitor regulator for the station (Step 10). At that time, there was no pressure gauge installed on the downstream control line, as required by the SOP.

The inspector asked the M&R technician to install a gauge on the downstream control line to monitor the downstream pressure, and the technician complied with this request. Modification Phase: Monitor Regulator Replacement of the SOP, Step 6, requires the isolated station to be purged between V-1 and V-2 after the valves have been closed. With the station purged, the downstream pressure reading should be 0” water column (“wc”). In this case,

pressure gauge read 10.6" wc, which indicated that the technician did not properly purge the station pursuant to the SOP.

II. EXIT LETTER RESPONSE

In its Exit Letter response, the Company stated that it followed the relevant SOP and that the SOP was adequate to safely execute the project. Thus, the Company asserted that there was no violation of the federal pipeline safety regulations. More specifically, CMA stated that it properly following the SOP's Preparation steps, including installation of gauges, and that once the station was out of service for the modification, the SCADA system continuously monitored flowing gas conditions, including pressure, on the distribution system at three separate locations. The Company further explained that the SCADA system is designed to alert gas controllers if a system parameter, such as pressure, is approaching a critical level and, through Company control room and system operating procedures, gas control would dispatch M&R personnel to investigate any critical alarms. According to CMA, continuous distribution system pressure monitoring was accomplished through the Company's SCADA system. Therefore, the Company contends that it followed Step 7 of the Modification Phase: Monitor Regulator Replacement ("Monitor downstream pressure while station is shut in").

Nevertheless, the Company does not address its failure to follow Step 1 of the Modification Phase: Monitor Regulator Replacement ("Install pressure gauge on downstream sense line Pete's Plug"). Further, the SOP does not indicate that gas control nor the SCADA system would be responsible for monitoring downstream pressure; in fact, the M&R technician is the only individual listed in the SOP as having that responsibility.

III. ALLEGATIONS

Based on the investigation, the Division has reason to believe that Respondent's failure to have an accurate and updated SOP to install the OPP device and its failure to follow the SOP during the installation may violate certain sections of its procedures and federal pipeline safety regulations, Part 192. The alleged violations of Part 192 are as follows:

Part 192, § 192.605(a) – Procedural manual for operations, maintenance, and emergencies.

- (a) Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

Part 192, § 192.605(b)(3), (8) – Procedural manual for operations, maintenance, and emergencies.

- (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

- (3) making construction records, maps, and operating history available to appropriate operating personnel.

- (8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

IV. PROPOSED CIVIL PENALTY

Under G.L. c. 164, § 105A, CMA is subject to a civil penalty not to exceed \$200,000 for each violation for each day that the violation exists, up to a maximum of \$2,000,000 for any related series of violations.

In determining the amount of the civil penalty, the Division shall consider the following, pursuant to G.L. c. 164, § 105A: the appropriateness of the penalty to the size of the business of the person, firm, or corporation charged; the gravity of the violation; and the good faith of the person, firm, or corporation charged in attempting to achieve compliance, after notification of a violation.

In the present matter, the Division has reviewed the circumstances of the allegations and is prepared to resolve this matter upon CMA's agreement to the terms in the attached Consent Order and payment of a civil penalty in the amount of \$75,000.

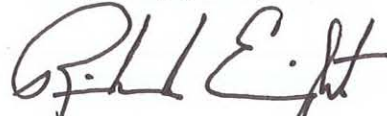
V. RESPONSE TO THIS NOPV

Within 30 days of receipt of this NOPV, CMA shall respond to the Division in one of the following ways, pursuant to 220 CMR 69.04:

1. Sign and return the attached Consent Order, thus agreeing to remit payment of the civil penalty by check or money order made payable to the Commonwealth of Massachusetts;
2. Submit an offer in compromise of the proposed civil penalty under 220 CMR 69.04(2);
3. Request an informal conference under 220 CMR 69.05; or
4. Submit a written reply to the Division disputing the allegation(s) contained in the NOPV. The reply must include a complete statement of all relevant facts and authority and full description of the reasons why the Respondent disputes the allegation(s) contained in the NOPV.

Failure to respond within 30 days of receipt of this NOPV will be deemed an admission to the allegations contained herein and a waiver of CMA's right to contest the allegations. If CMA fails to respond within 30 days, the Department may, without further notice, find the facts to be as alleged herein and issue a final Order, pursuant to 220 CMR 69.04(3).

Very truly yours,



Richard Enright, Director
Pipeline Safety Division

Enclosures: Consent Order
Compliance Agreement

Cc: Katherine Silver, Columbia Gas
Meggan Birmingham, Columbia Gas (Email Only)
Shaela McNulty Collins, Columbia Gas (Email Only)
Laurie Ellen Weisman, Division Counsel



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

CONSENT ORDER

January 17, 2020

D.P.U. 19-PL-18

In the matter of Columbia Gas of Massachusetts

I. JURISDICTION

1. This document, with the attached Compliance Agreement, is a Consent Order entered into between the Pipeline Safety Division ("Division") of the Department of Public Utilities ("Department") and CMA ("Respondent") and is executed in accordance with 220 CMR 69.08.
2. The Division has authority to enter into this Consent Order on behalf of the Department pursuant to Delegation Order, D.P.U. 18-44-A (2017).
3. Failure to comply with the terms of this Order may result in the assessment of civil penalties and referral of this matter to the Attorney General for appropriate action.
4. The terms and conditions of this Order become effective upon signing by the authorized representatives of the Respondent and the Department.
5. Respondent has stipulated and consented to the issuance of this Consent Order.

II. VIOLATIONS AND CIVIL PENALTY

1. Pursuant to G.L. c. 164, §§ 76 and 105A, and 220 CMR 69.02, the Division conducted a pipeline safety inspection of the Respondent's facilities and records. As a result of the inspection, the Director of the Division issued to the Respondent a Notice of Probable Violation ("NOPV"), D.P.U. 19-PL-18, dated January 17, 2020, in accordance with 220 CMR 69.03. The NOPV is attached hereto and made a part hereof.
2. Based on information contained in the NOPV, the Division finds that the Respondent violated pipeline safety regulations contained in 49 C.F.R. Part 192 ("Part 192"), specifically:
 - Part 192, § 192.605(a) - Procedural manual for operations, maintenance, and emergencies.**
 - Part 192, § 192.605(b)(3) - Procedural manual for operations, maintenance, and emergencies.**

Part 192, § 192.605(b)(8) - Procedural manual for operations, maintenance, and emergencies.

Part 192, § 192.805(h) - Qualification program.

3. Pursuant to G.L. c. 164, § 105A, the Division hereby imposes upon the Respondent a civil penalty in the amount of \$75,000 for the above-noted violations.
4. The Respondent hereby agrees, upon signing and returning this Consent Order to the Division, to remit payment of the civil penalty by check or money order in the amount of \$75,000 made payable to the Commonwealth of Massachusetts, One South Station, Boston, MA 02110.

III. RESPONDENT REQUIREMENTS

1. **Respondent shall sign the Stipulation below and return this complete document to the Division.**
2. All submissions by Respondent in accordance with this Consent Order shall be addressed to:

Director
Pipeline Safety Division
Department of Public Utilities
One South Station
Boston, MA 02110

IV. STIPULATED TERMS

Pursuant to 220 CMR 69.08(1), the Respondent through the signature below, by the person to whom this Consent Order is issued or a duly authorized representative, acknowledges agreement to the terms contained herein without admitting or denying that a violation of any Department or federal pipeline safety law or regulation occurred in relation to the above-noted matters. Further, Respondent agrees to issuance of this Consent Order and stipulates to the following:

1. Respondent, by signing the Stipulation, hereby waives:
 - (a) All rights to informal review pursuant to 220 CMR 69.05;
 - (b) All rights to a hearing pursuant to 220 CMR 69.06;
 - (c) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (d) All rights to seek any type of administrative or judicial review of the Consent Order; and

(e) Any and all rights to challenge or contest the validity of the Consent Order.

2. Respondent expressly acknowledges that neither Respondent nor the Division has any intention to enter into a contract.
3. The terms and provisions of this Consent Order and Stipulation shall be binding upon, and inure to the benefit of, Respondent and the Division and their successors in interest.
4. Nothing in these Stipulated Terms shall preclude any proceedings brought by the Department to enforce the terms of the Consent Order, and nothing in these Stipulated Terms constitute, nor shall Respondent contend that they constitute, a waiver of any right, power, or authority of any other representative of the Commonwealth or an agency thereof to bring other actions deemed appropriate.

V. FINAL ORDER

1. This Consent Order and Stipulation is intended to be, and shall be construed to be, a final order of the Department issued pursuant to G.L. c. 25, § 5, having the force and effect of a remedial order, pursuant to 220 CMR 69.07(2), and expressly does not form, and may not be considered to form, a contract binding on the Division, the Department, or the Commonwealth of Massachusetts.

2. The terms of this Consent Order and Stipulation, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreement, or prior arrangements between the Division and the Respondent, whether oral or written.

By Order of the Division

Richard Enright, Director
Pipeline Safety Division
Department of Public Utilities

Date: _____

The undersigned, duly authorized, stipulates to and acknowledges agreement to the terms herein.

COLUMBIA GAS OF MASSACHUSETTS

Mark Kempic
President & Chief Operating Officer

Date: _____

COMPLIANCE AGREEMENT
BETWEEN THE DEPARTMENT OF PUBLIC UTILITIES
AND COLUMBIA GAS OF MASSACHUSETTS

D.P.U. 19-PL-18

Columbia Gas of Massachusetts (“CMA”) agrees to take the following actions within the specified time periods:

1. Within 45 days of the effective date of this Order, CMA shall revisit and retrain key personnel on the preparation and adherence to prepared job-specific SOPs.
2. Within 60 days of the effective date of this Order, CMA shall provide documentation demonstrating compliance with Item 1.
3. Within 90 days of the effective date of this Order, CMA shall revisit and retrain key personnel on the key element of its DIMP regarding “knowledge of system” as it relates to the location of system piping and sense/control lines associated with district regulator stations.
4. Within 100 days of the effective date of this Order, CMA shall provide documentation demonstrating compliance with Item 2.
5. Within 120 days of the effective date of this Order, CMA shall prepare accurate and updated system maps (including GIS maps), plans, and flow diagrams that are readily available to key personnel during district regulator station control line construction and reconfiguration.
6. Within 150 days of the effective date of this Order, CMA shall provide documentation demonstrating compliance with Item 3.
7. Within 30 days of the effective date of this Order, CMA shall pay a civil penalty of \$75,000 to the Commonwealth of Massachusetts.