



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

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NOTICE OF PROBABLE VIOLATION
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 26, 2020

D.P.U. 18-PL-40

Mark Prewitt
Vice President, Pipeline Safety & Compliance
National Grid
40 Sylvan Road
Waltham, MA 02451

Re: [REDACTED] Regulator Station, Woburn (10/07/2018)

Dear Mr. Prewitt:

The Pipeline Safety Division (“Division”) of the Department of Public Utilities (“Department”) issues this Notice of Probable Violation (“NOPV”) to Boston Gas Company d/b/a National Grid (“Company” or “National Grid” or “Respondent”) pursuant to 220 CMR 69.03. The Department has delegated the authority to issue NOPVs to the Division. Delegation Order, D.P.U. 18-44-A (2018).

On October 7, 2018, the Division conducted an investigation of an overpressurization incident at the Company’s [REDACTED] regulator station, Woburn. The

Division conducted the inspection pursuant to G.L. c.164, §§ 76 and 105A and 220 CMR 69.02. The Division issued an Exit Letter on March 12, 2019, and information requests (“IRs”) on March 18, 2019. National Grid responded to the Exit Letter and provided information in response to the IRs on April 19, 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

During the October 7, 2018 investigation, the inspector found that four management personnel were performing annual maintenance and performance testing (“PT”) when the overpressurization incident occurred. The management personnel were performing maintenance and testing duties on that occasion because the Company had locked out union personnel due to ongoing contract disputes. In its response to IR-PL 1-1, National Grid provided an Incident Analysis Report (“IAR”) acknowledging that Company personnel had opened a valve out of sequence (“opened pilot line connection before outlet valve was closed”), causing the bypass regulator to become inoperable, which then resulted in an overpressurization of a portion of the distribution system. The impacted area of the overpressurization included twelve streets, approximately three miles of distribution piping (2.5 miles plastic, 0.5 miles cast iron), and approximately 244 customers. The system impacts caused service disruptions that resulted in customer outages of over 10,000 customer hours. The IAR stated as follows:

While performing annual maintenance and performance testing on the Woburn Regulator Station, an operator caused the bypass regulator to become inoperable while the bypass outlet valve was still open, allowing █ psig gas to pass through the regulator and enter the █ psig system. Pressure readings at the Woburn Regulator Station climbed to █ inches water column (approximately █ psig). The crew quickly recognized the abnormal operating condition (AOC) and took immediate action to isolate the bypass regulator and vent the system. The system returned to normal system pressure within minutes, and the station was eventually taken off-line to ensure that no further impact to the █ psig system.

Included with the IAR was a timeline of the event, which noted, “No job-specific procedure used to guide crew through steps in Annual Inspection/PT.” Thus, the crew failed to follow National Grid’s Operations and Maintenance (“O&M”) procedure, INR03003 Regulator Station Annual Inspection Policy New England. In addition, National Grid noted as a causal factor that the design of the regulator station (single regulator on bypass) increased the risk of an overpressurization incident, and its action item to address this factor stated, “Potential for over pressure incidents such as this will be covered within larger Columbia Gas Incident review.”

II. ALLEGATIONS

Based on the foregoing, the Division has reason to believe that Respondent’s failure to follow its O&M procedures, resulting in an overpressurization incident, may be in violation of certain sections of its procedures and federal pipeline safety regulations, Part 192. The alleged violations of Part 192 are as follows:

1. 49 C.F.R. § 192.13(c) – General requirements.

Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

2. 49 C.F.R. § 192.195(a) - Protection against accidental overpressuring.

General requirements. Except as provided in §192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §192.199 and §192.201.

3. 49 C.F.R. § 192.195(b) - Protection against accidental overpressuring.

Additional requirements for distribution systems. Each distribution system that is supplied from a source of gas that is at a higher pressure than the maximum allowable operating pressure for the system must:

- (1) Have pressure regulation devices capable of meeting the pressure, load, and other service conditions that will be experienced in normal operation of the system, and that could be activated in the event of failure of some portion of the system; and
 - (2) Be designed so as to prevent accidental overpressuring.
4. 49 C.F.R. § 192.201(a)(1) - Required capacity of pressure relieving and limiting stations.

Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following:

- (1) In a low pressure distribution system, the pressure may not cause the unsafe operation of any connected and properly adjusted gas utilization equipment.
5. 49 C.F.R. § 192.605(a) - Procedural Manual for operations, maintenance, and emergencies.

General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a

pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

6. 49 C.F.R. § 192.805 - Qualification Program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities.

III. PRIOR CONSENT ORDER VIOLATIONS

National Grid has signed the following Consent Orders that pertain to similar violations of Part 192 regarding overpressurization: D.P.U. 18-PL-07; D.P.U. 15-PL-03; D.P.U. 12-PL-04; D.P.U. 05-PL-18.

IV. PROPOSED CIVIL PENALTY

Under G.L. c. 164, § 105A, National Grid 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 National Grid's agreement to the terms in the attached Consent Order and payment of a civil penalty in the amount of \$700,000.

V. RESPONSE TO THIS NOPV

Within 30 days of receipt of this NOPV, National Grid 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.

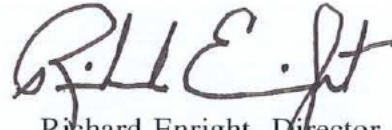
Failure to respond within 30 days of receipt of this NOPV will be deemed an admission to the allegations contained herein and a waiver of National Grid's right to contest the allegations. If National Grid fails to respond within 30 days, the Department may,

National Grid, D.P.U. 18-PL-40
Notice of Probable Violation
February 26, 2020

Page 7

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: Stephen M. Bell, National Grid
Thomas Kubilis, National Grid
Laurie Ellen Weisman, Division Counsel



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

CONSENT ORDER

February 26, 2020

D.P.U. 18-PL-40

In the matter of Boston Gas Company d/b/a National Grid

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 Boston Gas Company d/b/a National Grid ("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. 18-PL-40, dated February 26, 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, § 192.13(c) - General.

Part 192, § 192.195(a) - Protection against accidental overpressuring.

Part 192, § 192.195(b)(1) - Protection against accidental overpressuring.

Part 192, § 192.195(b)(2) - Protection against accidental overpressuring.

Part 192, § 192.201(a)(1) - Required capacity of pressure relieving and limiting stations.

Part 192, § 192.605(a) - 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 \$700,000 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 \$700,000 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

_____ Date: _____
Richard Enright, Director
Pipeline Safety Division
Department of Public Utilities

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

BOSTON GAS COMPANY D/B/A NATIONAL GRID

_____ Date: _____
Mark Prewitt
Vice President, Pipeline Safety & Compliance
National Grid

COMPLIANCE AGREEMENT
BETWEEN THE DEPARTMENT OF PUBLIC UTILITIES
AND BOSTON GAS COMPANY D/B/A NATIONAL GRID

D.P.U. 18-PL-40

Boston Gas Company d/b/a National Grid (“National Grid”) agrees to take the following actions within the specified time periods:

1. Within 30 days of the effective date of this Order, National Grid shall perform an incident review highlighting and addressing key failures and other areas of concern such as but not limited to breakdown in communication and a failure to follow procedures referencing Pipeline SMS API RP 1173.
2. Within 45 days of the effective date of this Order, National Grid shall provide documentation to the Department to show that it has complied with Item 1.
3. Within 60 days of the effective date of this Order, National Grid shall provide training to appropriate management and field personnel regarding the incident review and perform an evaluation of Instrument & Regulation personnel qualifications to ensure that all field crews are properly qualified to perform covered tasks.
4. Within 75 days of the effective date of this Order, National Grid shall provide documentation to the Department to show that it has complied with Item 3.
5. Within 90 days of the effective date of this Order, National Grid shall create, for each regulator station, site-specific maintenance procedures for each task to be performed.
6. Within 100 days of the effective date of this Order, National Grid shall provide training to appropriate management and field personnel on the use of the newly developed site-specific maintenance procedures for each regulator station.
7. Within 120 days of the effective date of this Order, National Grid shall provide documentation to the Department to show that it has complied with Items 5 and 6.
8. Within 30 days of the effective date of this Order, National Grid shall pay a civil penalty of \$700,000 to the Commonwealth of Massachusetts.