



THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

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**NOTICE OF PROBABLE VIOLATION**  
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 20, 2020

D.P.U. 19-PL-40

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

Re: D.P.U. 19-PL-40, [REDACTED] – Habonim Cryogenic Ball Valves

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 (“National Grid” or “Company”) pursuant to 220 CMR 69.03 and Delegation Order, D.P.U. 18-44-A (2018).

On August 1, 2019, the Division inspected National Grid’s response to concerns identified with its newly installed Habonim cryogenic ball valves at the [REDACTED]

█████ facility at ██████████ Dorchester, MA, pursuant to G.L. c.164, §§ 76 and 105A and 220 CMR 69.02. The Division had discovered the concerns during a plant tour.

On December 17, 2019, the Division issued an Exit Letter outlining preliminary findings from the inspection, to which the Company responded with further information on January 17, 2020. As discussed in detail below, the Division conducted further investigation into the matter and has reason to believe that Respondent may have violated 49 C.F.R.

Part 193 (“Part 193”), § 193.2503(b), which provides as follows:

§ 193.2503 – Operating Procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

(b) Startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactorily in service.

I. FINDINGS

In November 2017, National Grid began its first operating season of the LNG plant, after years of construction. During efforts to finish insulating the newly installed piping in the pump-out area, the Company noticed that some pumps warmed more quickly than others, an indication that LNG was passing by the valves. The Company also noticed that during the summer trucking operations, gas was passing by the recycle isolation into the warm pumps.

National Grid investigated and determined that during construction of the pump-out area in 2017, a National Grid subcontractor had welded valves into pre-fabricated sections of pipe (for assembly onsite), but had failed to follow the installation procedures (Section 5.4.3,

Weld End Valves In-Line, of the Habonim Installation, Operating and Maintenance manual for the C-47 series cryogenic ball valves). In particular, the procedure stated, "Valves that will be welded directly to the line must be in the fully open position to protect the ball and seats from excessive temperatures during the welding procedures." According to National Grid, the damaged valves had been closed during fabrication. As of September 2019, National Grid had inspected all of the valves that were welded by the subcontractor and replaced all those found damaged. There were 42 valves that had been compromised.

In its response to the Exit Letter, National Grid acknowledged that its subcontractor did not properly weld the valves per the manufacturers' procedure. National Grid further stated that although the compromised valves were passing LNG, the Company had control of the gas and could isolate the system in the case of an emergency.

Based on the investigation, the Division has reason to believe that Respondent's failed to follow valve installation procedures and performance testing to demonstrate that the components would operate satisfactorily in service. This failure may be in violation of Part 193, § 193.2503(b) - Operating procedures.

## II. PRIOR VIOLATIONS

The Division has previously resolved similar matters with National Grid involving Part 193, § 193.2503(b): D.P.U. 18-PL-21 (letter of concern); D.P.U. 18-PL-20 (warning letter).



III. 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 \$200,000.

IV. RESPONSE TO THIS NOPV

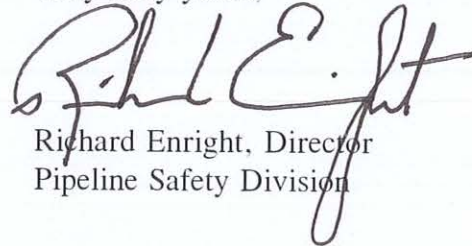
Within 30 days of receipt of this NOPV, National Grid shall respond to the Division in one of the following ways, pursuant to 220 CMR 69.04:

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, 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 20, 2020

D.P.U. 19-PL-40

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

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#### **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. 19-PL-40, dated February 20, 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 193, § 193.2503(b) – Operating procedures**

3. Pursuant to G.L. c. 164, § 105A, the Division hereby imposes upon the Respondent a civil penalty in the amount of \$200,000 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 \$200,000 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.**

**Boston Gas Company d/b/a National Grid**

\_\_\_\_\_  
Mark Prewitt  
Vice President, Pipeline Safety & Compliance  
National Grid

Date: \_\_\_\_\_



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

D.P.U. 19-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 provide the incident report/root cause analysis of the damage of the Habonim cryogenic ball valves to the Pipeline Safety Division of the Department of Public Utilities.
2. Within 30 days of the effective date of this Order, National Grid shall provide documentation to the Pipeline Safety Division of the Department of Public Utilities that it has taken remedial measures to address all compromised valves.
3. Within 30 days of the effective date of this Order, National Grid shall pay a civil penalty of \$200,000 to the Commonwealth of Massachusetts.