



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

KATHLEEN A. THEOHARIDES
SECRETARY OF ENERGY
AND ENVIRONMENTAL AFFAIRS

ONE SOUTH STATION
BOSTON, MA 02110
(617) 305-3500

MATTHEW H. NELSON
CHAIR

ROBERT E. HAYDEN
COMMISSIONER

CECILE M. FRASER
COMMISSIONER

NOTICE OF PROBABLE VIOLATION
ELECTRONIC MAIL – RETURN RECEIPT REQUESTED

July 31, 2020

D.P.U. 19-PL-38

Mr. Gregory Hill
Vice President, Gas Engineering
Eversource Energy
157 Cordaville Road
Southborough, MA 01772

Re: D.P.U. 19-PL-38, [REDACTED] Hopkinton (11/2019)

Dear Mr. Buffone:

The Pipeline Safety Division (“Division”) of the Department of Public Utilities (“Department”) issues this Notice of Probable Violation (“NOPV”) to NSTAR Gas Company d/b/a Eversource Energy (“Eversource” or “Company” or “Respondent”) pursuant to 220 CMR 69.03 and Delegation Order, D.P.U. 18-44-A (2018).

On November 25-27, 2019, the Division inspected the Eversource liquefied natural gas (“LNG”) facility at [REDACTED], Hopkinton, pursuant to G.L. c.164, §§ 76 and 105A, and 220 CMR 69.02. Eversource responded to an information request on December 26, 2019, and provided further information during a subsequent onsite visit on January 13-14, 2020. On April

1, 2020, the Division issued an Exit Letter outlining preliminary findings from the inspection, to which the Eversource responded with further information on May 1, 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”). The details of the findings are noted below.

I. FINDINGS

A. Subpart H – Personnel Qualifications and Training

During an onsite inspection of the plant’s security system, plant personnel displayed confusion regarding the sequence of events that would occur if alarms were not acknowledged. Plant personnel initially stated to inspectors that alarms not acknowledged by security personnel would automatically default to the [REDACTED] and, if unacknowledged by the [REDACTED], would then automatically default to the [REDACTED] in [REDACTED] Pennsylvania. The inspection, however, demonstrated that unacknowledged alarms did not automatically default to the next security level as described by plant personnel. It was determined that the security system in the [REDACTED] had to go offline for an alarm to default to the [REDACTED], and the security system in the [REDACTED] also had to go offline for an alarm to default to the [REDACTED] in [REDACTED] Pennsylvania. This indicates violations of Part 193, § 193.2715(a)(3), which provides as follows:

(a) Personnel responsible for security at an LNG plant must be trained in accordance with a written plan of initial instruction to:

(3) Be familiar with basic plant operations and emergency procedures, as necessary to effectively perform their assigned duties.

In response to the Exit Letter, Eversource disputed this finding and stated that the facility was in compliance with Part 193, § 193.2715(a)(3). Eversource explained that, consistent with 220 CMR 112.00, it annually files information with the Division that includes annual security training at the facility, and further described the training provided. Eversource further stated that it shared with the Division the facility manuals and procedures associated with security during the inspection. Eversource acknowledged, however, that it has revised the Personnel Training Checklist to include a review of the entire hard copy of the Security Manual to supplement the online training modules.

The Division finds that during an on-site security demonstration, plant personnel were unaware of the alarm configuration should primary security personnel not acknowledge a security alarm as previously explained.

B. Subpart J - Security

The LNG plant has had no liaison with local law enforcement officials. The Company was unable to provide documentation or records showing law enforcements officials were kept informed of security procedures. Additionally, a field review revealed that certain sections of security fencing are not visible to security personnel. This indicates violations of Part 193, §§ 193.2903(g) and 193.2913, which provide as follows:

49 C.F.R. § 193.2903(g) - Security Monitoring.

Each operator shall prepare and follow one or more manuals of written procedures to provide security for each LNG plant. The procedures must be available at the plant in accordance with §193.2017 and include at least:

(g) Liaison with local law enforcement officials to keep them informed about current security procedures under this section.

49 C.F.R. § 193.2913 - Security Procedures.

Each protective enclosure and the area around each facility listed in § 193.2905(a) must be monitored for the presence of unauthorized persons. Monitoring must be by visual observation in accordance with the schedule in the security procedures under § 193.2903(a) or by security warning systems that continuously transmit data to an attended location. At an LNG plant with less than 40,000 m³ (250,000 bbl) of storage capacity, only the protective enclosure must be monitored.

In its response to the Exit Letter, Eversource stated that several attempts were made to contact local law enforcement beginning in October 2019. Eversource did not meet with officials until January 6, 2020. Eversource further stated, “The Facility utilizes a combination of [REDACTED] cameras to monitor the entire Facility and its surrounding areas 24/7. Additionally, Facility security personnel perform visual inspections of the Facility and the perimeter fence line by either [REDACTED].”

The Division finds that prior to the January 6, 2020 meeting, there were no documented communications between Eversource and local law enforcement related to plant security. The Division also finds that [REDACTED] [REDACTED]. This gap in coverage is not described in security manuals nor does the operator require additional [REDACTED] in this area.

C. Subpart G - Maintenance

Eversource failed to provide written maintenance procedures for instrumentation. The instrumentation inspections were incomplete and inspection sheets documented two point inspections when in fact there were five point inspections. Additionally, there are no written procedures for testing the relief valves, discretionary vents, and overflow valves on the tanks. This indicates violations of Part 193, § 193.2605(b)(1), (b)(2), (c), and 220 CMR 112.30(2), which provide as follows:

49 C.F.R. § 193.2605 – Maintenance Procedures.

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedure must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance; and

(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.

(c) Each operator shall include in the manual required by paragraph (b) of this section instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §191.23 of this subchapter.

220 CMR 112.30(2), Maintenance - General

(2) Written maintenance procedures shall include, but not be limited to, the following:

(a) details of inspection and testing to meet the requirements of 49 C.F.R. Part 193, Subpart G - Maintenance;

(b) frequency of inspection and testing;

(c) procedures for each maintenance activity performed on each component;

(d) description or procedures to follow for all other actions necessary to maintain the subject LNG plant in accordance with 49 C.F.R. Part 193, Subpart G - Maintenance, and Subpart I - Fire Protection, including maintenance procedures required to reduce to a minimum the occurrence and consequences of fire; and

(e) methods used to verify that maintenance standards for components are met.

In response to the Exit Letter, Eversource stated:

The Maintenance Manual-Section 4.0 - Control Devices and Section 7.0 – Instrumentation describes the instrumentation maintenance procedures. To supplement the instrumentation sections in the Maintenance Manual, the Facility’s preventative maintenance (“PM”) system task descriptions, Original Equipment Manufacturer (“OEM”) Manuals, checklists and trade knowledge are used to ensure each device covered under 49 CFR 193.2605(b)(1), (b)(2), and (c) is checked, inspected and/or calibrated, per specifications and at the appropriate intervals. The PM system contains detailed instructions, supplied on Task Cards, as to the various regularly scheduled maintenance actions that are required in connection with the Facility, as well as detailed instructions for the internal reporting required in relation to those maintenance activities. The Maintenance Manual references the PM system so that Facility operators are aware that the detailed maintenance procedures are set out in the system as opposed to the Manual. The PM system is designed to be user friendly and accessed easily. Facility operators have access to the PM system 24/7/365 to obtain critical information quickly, efficiently and effectively. Although the Facility is in compliance with the requirements of 49 CFR 193.2605(b)(1), (b)(2), and (c) and 20 CMR 112.30(2), further improvements to the Facility’s procedures and processes associated with instrumentation have been made. Previously, Facility protocol relied on PM task descriptions and technician training to verify that instrument devices were operating within design limits. The Maintenance Manual has been revised to specifically state that both control devices and instruments are tested “to ensure they are operating within design limits.” Secondly, the historical practice of using multi-point checks to verify the performance of instruments over their full operating span has been documented. Thirdly, improved terminology has been adopted to better describe examples of the “function checking” protocols that have been in place for many years but were not previously specifically documented as such.

The Division recognizes the efforts of Eversource since the inspection but finds that numerous maintenance activities lack written procedures detailing specific instructions, which demonstrates that Eversource failed to comply with Part 193 as described above.

II. ALLEGATIONS

Based on the investigation, the Division has reason to believe that Respondent failed to prepare and follow one or more manuals of written procedures to provide security, failed to establish a liaison with local law enforcement officials, failed to provide security monitoring, failed to provide written maintenance procedures for the instrumentation, failed to provide adequate maintenance and operating procedures and failed to provide proper training. These failures indicate violations of certain sections of its procedures, federal pipeline safety regulations, Part 193, and state pipeline safety regulations, 220 CMR 112.00. The alleged violations are as follows: Part 193, §§ 193.2715(a)(3); 193.2903(g); 193.2913; 193.2605(b)(1), (b)(2), (c); and 220 CMR 112.30(2).

III. PROPOSED CIVIL PENALTY

Under G.L. c. 164, § 105A, Eversource 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 Eversource's agreement to the terms in the attached Consent Order and payment of a civil penalty in the amount of \$50,000.

IV. RESPONSE TO THIS NOPV

Within 30 days of receipt of this NOPV, Eversource 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 Eversource's right to contest the allegations. If Eversource 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).

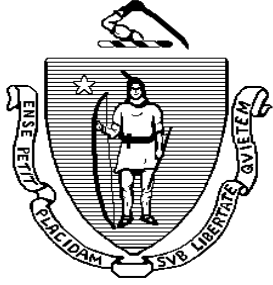
Very truly yours,

/s/

Richard Enright, Director
Pipeline Safety Division

Enclosures: Consent Order
Compliance Agreement

Cc: Robert Buffone, Eversource Energy
Kerry Britland, Eversource Energy
Danielle C. Winter, Esq, Keegan Werlin
Michael Conkey, Assistant Director, Pipeline Safety Division
Janine D'Amico Vargas, Assistant General Counsel, Pipeline Safety Division
Laurie Ellen Weisman, Division Counsel, Pipeline Safety Division



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

CONSENT ORDER

July 31, 2020

D.P.U. 19-PL-38

In the matter of NSTAR Gas Company d/b/a Eversource Energy

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 NSTAR Gas Company d/b/a Eversource Energy (“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-38, dated July 31, 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, specifically:

Part 193, § 193.2605(b)(1) – Maintenance procedures.

Part 193, § 193.2605(b)(2) – Maintenance procedures.

Part 193, § 193.2605(c) – Maintenance procedures.

Part 193, § 193.2715(a)(3) – Training: security.

Part 193, § 193.2903(g) – Security procedures.

Part 193, § 193.2913 – Security monitoring.

220 CMR 112.30(2), Maintenance - General

3. Pursuant to G.L. c. 164, § 105A, the Division hereby imposes upon the Respondent a civil penalty in the amount of \$50,000 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 \$50,000 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.

NSTAR GAS COMPANY D/B/A EVERSOURCE ENERGY

_____ Date: _____
Kevin Kelley
Vice President, Gas Operations

COMPLIANCE AGREEMENT
BETWEEN THE DEPARTMENT OF PUBLIC UTILITIES
AND NSTAR GAS COMPANY D/B/A EVERSOURCE ENERGY

D.P.U. 19-PL-38

NSTAR Gas Company d/b/a Eversource Energy (“Eversource”) agrees to take the following actions within the specified time periods:

1. Within 30 days of the effective date of this Order, Eversource shall pay a civil penalty of \$50,000 to the Commonwealth of Massachusetts.
2. Within 30 days of the effective date of this Order, Eversource shall submit to the Department revised security procedures ensuring clear transfer of responsibilities between third-party security vendor, local control room, and regional control room.
3. Within 60 days of the effective date of this Order, Eversource shall submit to the Department evidence, such as training sign-in sheets, confirming that all appropriate personnel have been trained to the newly developed security procedures in Item 2.
4. Within 30 days of the effective date of this Order, Eversource shall submit to the Department revised security procedures informing all security personnel of the areas of the plant where there are [REDACTED].
5. Within 60 days of the effective date of this Order, Eversource shall submit to the Department evidence, such as training sheets, that appropriate personnel have been trained to the newly developed security procedures in Item 4.
6. Within 60 days of the effective date of this Order, Eversource shall submit to the Department revised sections of the Maintenance Manual and documentation improvements as stated in Eversource’s May 1, 2020 Exit Letter Response, Response to Finding #4.