LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. W.H. Rich Vice President, Facility Manager Distrigas of Massachusetts Corporation Everett Marine LNG Terminal, 18 Rover Street Everett, MA 02149

CPF 17301C

Dear Mr. Rich:

On November 11, 1996, representatives of The Eastern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an on-site inspection of Distrigas of Massachusetts Corporation (Distrigas) records and facilities at the Everett Marine LNG Terminal in Everett, Massachusetts.

As a result of the review of your Alcohol Misuse Prevention Program (Alcohol Plan), we are concerned about certain inadequate procedures as required under Part 199 of the Federal pipeline safety regulations. Deficiencies are listed as follows:

1. Section 199.217 On-Duty Use

Covered employee must be prohibited to use alcohol while performing a covered function.

Your company Alcohol Plan did not address this requirement.

2. Section 199.219 Pre-Duty Use

Covered employee must be prohibited to use alcohol within 4 hours before performing covered function.

Your company Alcohol Plan did not address this requirement.

3. Section 199.225 Alcohol Tests Required

Operator must conduct different types of alcohol tests, and specify retesting procedures.

Your company Alcohol Plan did not specify re-testing.

4. Section 199.237 Other Alcohol Related Conduct

Operator must address provisions where covered employee has an alcohol concentration of 0.02 or greater but less than 0.04.

Your company Alcohol Plan did not address this requirement.

Please let us know what is your course of action to remedy the situation within 45 days from receipt of this letter. We thank you for your cooperation.

Sincerely,

William H. Gute Eastern Regional Director Office of Pipeline Safety

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cc: DPS-22.1, DPS-24, NJDO, Phillip, Regions, Bob Smallcomb/MA DPU