



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 14, 2011

Paul Grady
President
Heritage Propane, LLC
754 River Rock Drive
Helena, MT 59602

CPF 2-2011-0005W

Dear Mr. Grady:

On May 23-27, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the facilities, records and procedures of Heritage Propane District 911 (Heritage) liquefied petroleum gas (LPG) pipeline systems in Tampa, Florida, pursuant to Chapter 601 of 49 United States Code. As a result of the inspection, it appears that Heritage has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. § 192.11 Petroleum gas systems.

...(b) Each pipeline system subject to this part that transports only petroleum gas or petroleum gas/air mixtures must meet the requirements of this part and of ANSI/NFPA 58 and 59.

Heritage did not meet the requirements of NFPA 58, Section 6.6.1.2, which states that *"LP-Gas containers or systems of which they are a part shall be protected from damage from vehicles."* The vaults at 6115 Lanshire Drive, which house regulators, are not protected from vehicular traffic.

2. **§192.465 External corrosion control: Monitoring.**

(a) **Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.**

Heritage did not test each pipeline that is under cathodic protection at least once each calendar year. Heritage has 2-inch steel pipelines, totaling approximately 4,194 feet, located on Spruce Lane, Filbert Lane, Ponderosa Drive, and Sequoia Drive. Heritage did not provide any records or other documentation to demonstrate that the steel pipelines were ever tested to determine the adequacy of the cathodic protection system.

3. **§192.465 External corrosion control: Monitoring**

... (d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Heritage did not take prompt remedial actions to correct deficiencies, i.e. unsatisfactory levels of cathodic protection indicated by low¹ pipe-to-soil (p/s) readings, found during cathodic protection surveys conducted in 2009 and 2010 on underground steel storage tanks at Orange Blossom.

- p/s readings taken during the 2009 annual survey ranged from -702 *mV* to - 792 *mV*
- p/s readings taken during the 2010 annual survey ranged from -720 *mV* to - 772 *mV*

The p/s readings taken during the PHMSA field inspection on tank 3 at 16719 Amberhill Drive confirmed a low reading of -721 *mV*. Heritage did not have any records or other documentation of remedial actions taken to correct the deficiencies identified by its external corrosion protection monitoring.

4. **§192.469 External corrosion control: Test stations.**

Each pipeline under cathodic protection required by this subpart must have sufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.

Heritage did not have sufficient test stations or other contact points for electrical measurement to determine the adequacy of its cathodic protection system. Heritage did not designate any test stations or contact points on its 2-inch steel pipelines. These

¹ The criteria for cathodic protection are contained in 49 CFR Part 192, Appendix D. The criteria being referenced in this letter is negative (cathodic) voltage of at least 850*mV* with reference to a saturated copper-copper sulfate half cell with protective current applied. Accordingly, a "low" p/s reading is a reading less negative than 850*mV*.

pipelines on Spruce Lane, Filbert Lane, Ponderosa Drive, and Sequoia Drive are approximately 4194 feet in total length.

5. §192.491 Corrosion control records.

(a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.

(b) Each record or map required by paragraph (a) of this section must be retained for as long as the pipeline remains in service.

Heritage did not maintain records or maps to show the location of its cathodic protection systems. Heritage was unable to provide up-to-date system maps showing the location of its galvanic anodes, underground steel LPG tanks, and cathodically protected piping.

6. §192.625 Odorization of gas

... (f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. Operators of master meter systems may comply with this requirement by—

(1) Receiving written verification from their gas source that the gas has the proper concentration of odorant; and

(2) Conducting periodic “sniff” tests at the extremities of the system to confirm that the gas contains odorant.

Heritage did not conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable at the extremities of the system. Records showed that Heritage conducted “sniff” testing at only one location each calendar year on certain systems but not necessarily at the extremities of these systems or on all regulated systems.

7. §192.747 Valve maintenance: Distribution systems.

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

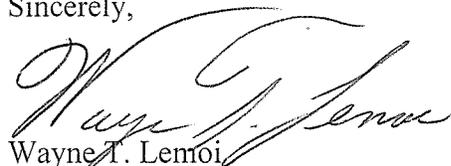
Heritage did not check and service each valve which may be necessary for the safe operation of its pipeline distribution system at intervals not exceeding 15 months, but at least once each calendar year. Heritage’s records showed inspection of only tank valves in calendar years 2009 and 2010.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional

enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Heritage Propane being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2011-0005W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

cc: Bill Tate
Vice President & Regional Manager
Heritage Propane
5000 Sawgrass Village Circle, Suite 4
Ponte Vedra Beach, FL 32082

Scott Osborne
District Manager
Heritage Propane
5307 E. Hanna Avenue
Tampa, FL 33610