



America's Propane Company

June 18, 2013

Mr. Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region
233 Peachtree Street
Suite 600
Atlanta, GA 30303

Re: **Warning Letter CPF 2-2013-0001W**

Dear Mr. Lemoi:

This is to reply to your warning letter addressed to AmeriGas's COO, Paul Grady dated March 26, 2013 for alleged violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations and NFPA 58, LP-Gas Code (2004 Edition). Your letter has been referred to me for response.

Item 1 – Section 6.7.4.6 Regulator Installation:

The point of discharge shall be located not less than 5 ft in any direction away from any source of ignition, openings into direct-vent appliances, or mechanical ventilation air intakes.

The PHMSA inspectors observed and photographed AmeriGas pressure relief devices with points of discharge less than 5 feet from sources of ignition at the following locations:

- 6292 Soner Street, North Port
- 6223 Mayberry, North Port

Response

The points of discharge for both referenced locations have been corrected and are now 5 feet from a source of ignition (see attached picture).

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Item 2 – Section 192.616 Public Awareness:

(j) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

- (1) A description of the purpose and reliability of the pipeline;
- (2) An overview of the hazards of the pipeline and prevention measures used;
- (3) Information about damage prevention;
- (4) How to recognize and respond to a leak; and
- (5) How to get additional information.

AmeriGas did not provide any records to demonstrate that it had provided public awareness messages twice annually to all required stakeholder audiences in calendar year 2012.

Response

The Public Awareness Messages are being sent out twice annually by a third party vendor and the records of the mailer are placed on the AmeriGas Safety portal under Pipeline Safety. I have provided the record of the last mailing for the North Port system that occurred in January 2013, with this response.

Item 3 – Section 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.

AmeriGas did not provide any records to demonstrate that it had conducted periodic sampling of combustible gases to assure the proper concentration of odorant by using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

AmeriGas did provide documentation from its propane supplier showing the propane was odorized prior to delivery and records showing that it had conducted periodic “sniff” tests to confirm the gas contained odorant. However, since AmeriGas was not operating a master meter systems, it cannot solely rely on these methods to comply with the regulations.

Response

During the review of the AmeriGas Operation and Maintenance Manual by PHMSA, it was brought to AmeriGas’s attention that the testing procedure for installations greater than 4001 gallons must be performed using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. This is not the current practice within our industry and AmeriGas respectfully requests two years to implement this new procedure. AmeriGas will need to purchase the equipment and train our employees in this new procedure to become Operator Qualified in this task.

Item 4 – 192.723 Distribution Systems: Leak Surveys:

(a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.

(b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

(1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

AmeriGas had a commercial meter serving a hotel in a business district, but did not provide any records to demonstrate that it had conducted leakage surveys at this location in calendar year 2011. AmeriGas did conduct leakage surveys at this location in October 2010 and March 2012.

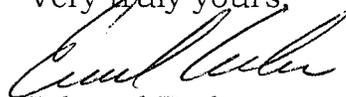
Response

AmeriGas did not acquire Heritage Propane until January 2012 and would not have been responsible for a leakage survey in 2011. No records were found by the AmeriGas District Manager, Teresa Shattuck, to demonstrate that Heritage Propane had conducted a leakage survey in 2011.

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Thank you for your consideration in this matter. Please do not hesitate to contact me at 610-337-7000 (ext.1173) or by email to ed.boden@amerigas.com if you or your staff have any questions or require additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward Boden", written in a cursive style.

Edward Boden
Safety & Technology Engineer

C.c.: Paul Grady