

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 26, 2013

Mr. Paul Grady
Vice President & Chief Operating Officer
AmeriGas Propane, LP
460 North Gulf Road
Valley Forge, PA 19482

CPF 2-2013-0001W

Dear Mr. Grady:

From February 19 - 22, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, inspected the AmeriGas Propane, LP (AmeriGas) liquefied petroleum gas (LPG) pipeline system records in the Port Charlotte, Florida office and pipeline facilities in North Port, Florida.

As a result of the inspection, it appears that AmeriGas has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

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.

AmeriGas did not meet the requirements for "Regulator Installation" in NFPA 58, Section 6.7.4.6, which states that "*The point of discharge [of a regulator] shall also be located not less than 5 ft (1.5 m) in any direction away from any source of ignition, openings into direct-vent (sealed combustion system) 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

2. §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.

3. §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 master meter systems, it cannot solely rely on these methods to comply with the regulations.

4. §192.723 Distribution systems: Leakage 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 districts 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 - May 2012.

Under 49 United States Code, § 60122, AmeriGas Propane, LP is subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 AmeriGas Propane, LP 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 2-2013-0001W**. 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: Teresa Shatuck, District Manager
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