

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 18, 2016

Mr. Jerry E. Sheridan  
President and CEO  
AmeriGas Partners, L.P.  
460 North Gulph Road  
King of Prussia, PA 19406

CPF 5-2016-0012W

Dear Mr. Sheridan:

On January 25-29 and February 1-5, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Liquefied Petroleum Gas (LPG) facilities. Records of the operation and inspection of the LPG facilities were reviewed in Maui and the Big Island of Hawaii.

As a result of the inspection, it appears that AmeriGas Partners, L.P. (AmeriGas) 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.**
  - (a) **Each plant that supplies petroleum gas by pipeline to a natural gas distribution system must meet the requirements of this part and NFPA 58 and NFPA 59 (incorporated by reference, see §192.7).**
  - (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.**

**National Fire Protection Association, NFPA 58, Liquefied Petroleum Gas Code, 2004 Edition 6.7.4.6 The point of discharge 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.**

**National Fire Protection Association, NFPA 58, Liquefied Petroleum Gas Code, 2004 Edition 6.16.5.2 (E) Fencing shall not be required where devices that can be locked in place are provided that prevent unauthorized operation of valves, equipment, and appurtenances section.**

**National Fire Protection Association, NFPA 58, Liquefied Petroleum Gas Code, 2004 Edition 6.4.5.2 Loose or piled combustible material and weeds and long dry grass shall be separated from containers by a minimum of 10 ft (3 m).**

Pursuant to §192.11, the AmeriGas regulator relief vent for two meters on the Kahana Gateway system were 34 inches from a building opening. The door at the building opening was labeled electrical. The regulator relief vent was closer than three (3) feet from the building opening and closer than five (5) feet from a source of ignition. It is critical that AmeriGas maintain a safe distance between relief vents and building openings to demonstrate compliance with Federal Regulations.

The Liquefied Petroleum Gas tank near 22-24 Coconut Grove, Kapalua, Maui did not have sufficient security and protection against tampering provisions. The tank facility area was not enclosed or locked to effectively prevent unauthorized operation of any of the container appurtenances, system valves, or equipment. AmeriGas must prevent unauthorized operation of any of the container appurtenances, system valves, or equipment.

The Coconut Grove holder system had combustible materials, shrubbery and plywood, within ten (10) feet of the container. AmeriGas must keep combustible materials at least ten (10) feet away from its containers.

2. **§192.513 Test requirement for plastic pipelines.**
  - (c) **The test pressure must be at least 150 percent of the maximum operating pressure or 50 p.s.i. (345 kPa) gage, whichever is greater. However, the maximum test pressure may not be more than three times the pressure determined under §192.121, at a temperature not less than the pipe temperature during the test.**

Pursuant to §192.513, AmeriGas Work order # 12371 recorded a pipeline pressure test at 30 psig for 15 minutes for the system at the Shops at Mauna Leni, Kamuela, Hawaii. The maximum allowable pressure for this pipeline is nine (9) psig (nominal), requiring a pressure test of at least 50 psig. The plastic pipeline was only tested to 30 psig which is less than the 50 psig minimum. AmeriGas is required to pressure test the pipeline at the Shops at Mauna Leni, Kamuela, Hawaii to a minimum of 50 psig.

3. **§192.479 Atmospheric corrosion control: General.**  
**(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**

Per §192.479, the coating on the manifold at 22-24 Coconut Grove, Kapalua, Hawaii had was not adequate and the manifold showed signs of atmospheric corrosion. Coatings were not maintained on piping exposed to the atmosphere. AmeriGas must maintain the coating on its' pipelines.

4. **§192.807 Recordkeeping.**  
**Each operator shall maintain records that demonstrate compliance with this subpart.**  
**(a) Qualification records shall include:**  
**(1) Identification of qualified individual(s);**  
**(2) Identification of the covered tasks the individual is qualified to perform;**  
**(3) Date(s) of current qualification; and**  
**(4) Qualification method(s).**  
**(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.**

Per §192.807, AmeriGas Maui Gas Service did not have Operator Qualification records for the individuals performing the covered task of inspecting regulators. Specifically, our inspector was not provided Qualification records for all individuals inspecting regulators.

5. **§192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**  
**(a) Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:**  
**(1) It must have an external protective coating meeting the requirements of §192.461.**  
**(2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.**

According to §192.455, the AmeriGas records show that the use of anodes or rectifiers were not applicable to pipelines at the Phillips Trust Holder System in Makawao and the Pukalani Terrace Holder System in Pukalani, Maui, Hawaii. AmeriGas personnel stated that all buried pipe was composed of plastic. A field visit to both the Phillips Trust Holder System and Pukalani Terrace Holder System revealed what appeared to be metal pipe buried in the ground at the service risers and mains. AmeriGas buried pipelines did not protect their

buried metallic pipelines against external corrosion with cathodic protection systems per §192.455.

Under 49 United States Code, § 60122, you are 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. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. 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 item(s) identified in this letter. Failure to do so will result in AmeriGas Partners, L.P. 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 5-2016-0012W** and for each document you submit, please provide a copy in electronic format to [PHP-WRADMIN@dot.gov](mailto:PHP-WRADMIN@dot.gov) whenever possible. 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,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 D. Hassell (#151865)