

## **WARNING LETTER**

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

January 3, 2012

Kevin Webber  
Vice President of Business Development and Operations  
Florida Public Utilities  
401 S Dixie Hwy  
West Palm Beach, FL 33401-5807

**CPF 2-2012-0001W**

Dear Mr. Webber:

On October 20 and 21, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the Florida Public Utilities (FPU) records in Inglis, Florida, and its pipeline facilities located in Alachua, Citrus, and Marion counties in Florida, pursuant to Chapter 601 of 49 United States Code.

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

- 1. §192.455 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.**

FPU did not protect buried portions of its pipeline system against external corrosion with a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within one year after completion of construction.

During the field inspection, the PHMSA inspector identified sections of buried metal pipe that were not under cathodic protection. At Lakeside, buried pipe without cathodic protection was discovered at the meter set between 103 and 104 Windmill Drive. At Newtown, an unprotected buried pipe was discovered between the LP tank and the regulator station.

**2. § 192.721 Distribution systems: Patrolling.**

**(a) The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.**

**(b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled—**

**(1) In business districts, at intervals not exceeding 4½ months, but at least four times each calendar year; and**

**(2) Outside business districts, at intervals not exceeding 7½ months, but at least twice each calendar year.**

FPU did not patrol its mains outside business districts at intervals not exceeding 7½ months, but at least twice each calendar year.

FPU records for Newberry Oaks, reviewed during the inspection, showed that patrols were completed on April 16, 2009 and January 18, 2011. There were no 2010 patrolling records.

**3. § 192.739 Pressure limiting and regulating stations: Inspection and testing.**

**(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—**

**... (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a);**

FPU did not conduct lockup tests to determine that its regulators were set to control at the correct pressure.

Records reviewed during the inspection, corroborated by operator statements, revealed that the operator was not verifying regulator lockup during its inspections of its pressure regulating stations at Lakeside, Canterbury, Juliette Falls, Newberry Oaks, and Newtown.

**4. § 192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

**(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not**

exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

**(b) If review and calculations are used to determine if a device has sufficient capacity, the calculated capacity must be compared with the rated or experimentally determined relieving capacity of the device for the conditions under which it operates. After the initial calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.**

**(c) If a relief device is of insufficient capacity, a new or additional device must be installed to provide the capacity required by paragraph (a) of this section.**

FPU did not determine the capacity of its relief valves at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

FPU records for Juliette Falls reviewed during the inspection, did not document that it determined the capacity of its vaporizer relief valves by testing the devices in place or by review and calculations. Moreover, during its annual review, the operator did not document that that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.

**5. § 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.**

FPU 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.

FPU records reviewed during the inspection showed that valve #1 at Stratford Estates was last inspected on May 6, 2010. By not inspecting valve #1 by August 6, 2011, the operator exceeded the 15 month interval.

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 item(s) identified in this letter. Failure to do so will result in FPU 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 2-2012-0001W**. 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: Mike McCarty  
Safety and Training Manager  
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