

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 18, 2015

Ms. Elizabeth Merrill  
Macedonia Garden Apartments LLC  
1722 W. 17<sup>th</sup> Street  
Panama City, FL 32405

**CPF 2-2015-0001W**

Dear Ms. Merrill:

On August 13, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected the Macedonia Garden Apartments natural gas master meter system records and pipeline system at the Macedonia Garden Apartments in Panama City, Florida.

As a result of our investigation, it appears that Macedonia Garden Apartments 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. **§192.455 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.**

The Macedonia Garden Apartments did not provide documentation demonstrating that it had installed a cathodic protection system on its buried pipeline system.

**2. §192.481 Atmospheric corrosion control: Monitoring.**

**Each operator must inspect each pipeline or portion of pipeline that is exposed to atmosphere for evidence of atmospheric corrosion, as follows:**

<b>If the pipeline is located:</b>	<b>Then the frequency of inspection is:</b>
<b>Onshore</b>	<b>At least once every 3 calendar years, but with intervals not exceeding 39 months</b>
<b>Offshore</b>	<b>At least once each calendar year, but with intervals not exceeding 15 months</b>

The Macedonia Garden Apartments did not present records to demonstrate that it had inspected its onshore pipeline exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

**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 meters 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” test at the extremities of the system to confirm that the gas contains odorant.**

The Macedonia Garden Apartments did not present records to demonstrate that it had assured the proper concentration of odorant in its pipeline system by receiving written verification from its gas source that the gas has the proper concentration of odorant or by conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.

**4. §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.**

The Macedonia Garden Apartments did not present records to demonstrate that it conducted patrols of the pipeline system mains.

**5. §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.**

The Macedonia Garden Apartments did not present records to demonstrate that it conducted leakage surveys of the pipeline system at intervals not exceeding 15 months, but at least once each calendar year.

**6. §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.**

The Macedonia Garden Apartments did not present records to demonstrate that it checked and serviced each valve necessary for the safe operation of its distribution system at intervals not exceeding 15 months, but at least once each calendar year.

**7. §192.1015 What must a master meter or small liquefied petroleum gas (LPG) operator do to implement this subpart?**

**(a) General. No later than August 2, 2011 the operator of a master meter system or a small LPG operator must develop and implement an IM program that includes a written IM plan as specified in paragraph (b) of this section. The IM program for these pipelines should reflect the relative simplicity of these types of pipelines.**

The Macedonia Garden Apartments did not present records to demonstrate that it had developed and implemented an Integrity Management program.

Under 49 United States Code, §60122, Macedonia Garden Apartments 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 Macedonia Garden Apartments 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 2-2015-0001W**. 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