

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 22, 2018

Mr. Charles Warrington  
Managing Director  
Clearwater Gas System  
400 N. Myrtle Avenue  
Clearwater, FL 33755

**CPF 2-2018-0001W**

Dear Mr. Warrington:

From February 28 to March 2, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) Southern Region, Office of Pipeline Safety, inspected the Clearwater Gas System (CGS) liquefied petroleum gas (LP-Gas) written procedures and records in CGS' Clearwater, Florida, office and LP-Gas pipeline systems in Pasco and Pinellas counties, Florida, pursuant to Chapter 601 of 49 United States Code (U.S.C.)

As a result of the inspection, it is alleged that CGS has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

**1. §192.11 Petroleum gas systems**

**(a) ....**

**(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.**

CGS failed to comply with the requirements of NFPA-58 (2004)<sup>1</sup>, as follows:

- **NFPA 58 § 5.7.3.9**

**First-stage regulators shall have an outlet pressure setting up to 10.0 psig (69 kPag) in accordance with UL 144, *Standard for LP-Gas Regulators*.**

CGS failed to ensure that the outlet pressure setting of first-stage regulators did not exceed 10.0 psig. PHMSA inspectors identified first-stage regulators, at Savannah Pointe and Harborpointe, with outlet pressure settings that exceeded 10.0 psig.

- **NFPA 58 § 6.7.4.5**

**The point of discharge from the required pressure relief device on regulating equipment installed outside of buildings in fixed piping systems shall be located not less than 3 ft. (1 m) horizontally away from any building opening below the level of such discharge, and not beneath any building unless this space is well ventilated to the outside and is not enclosed for more than 50 percent of its perimeter.**

CGS failed to ensure that the point of discharge from pressure relief devices on regulating equipment installed outside of buildings was at least 3 feet horizontally away from any building opening below the level of such discharge. PHMSA inspectors observed and photographed the point of discharge, from a regulator vent, that was less than 3 feet horizontally away an opening into the building at 4521 Harborpointe Drive on the Harborpointe system.

- **NFPA 58 § 6.7.4.6**

**The point of discharge shall also be located not less than 5 ft. (1.5m) in any direction away from any source of ignition, openings into direct-vent (sealed combustion system) appliances, or mechanical ventilation air intakes.**

CGS failed to comply with the point of discharge requirements of § 6.7.4.6. PHMSA inspectors observed and photographed points of discharge, from regulator vents, that were less than 5 feet in any direction from sources of ignition at 1819 and 1890 Lexington Place on the Savannah Pointe system.

2. **§192.195 Protection against accidental overpressuring.**

**(a) General requirements. Except as provided in §192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §192.199 and 192.201.**

CGS failed to ensure that each pipeline that was connected to a gas source, for which the maximum allowable operating pressure (MAOP) could be exceeded as the result of pressure control failure or some other type of failure, had a pressure relieving or pressure limiting device that met the requirements § 192.199 and § 192.201.

---

<sup>1</sup> The 2004 edition of NFPA 58, "Liquefied Petroleum Gas Code (LP-Gas Code)," is the edition incorporated by reference in §192.7.

CGS supplies LP-Gas to its pipeline systems from storage tanks capable of operating up to 250 psig, whereas the downstream pipeline systems have a MAOP of 10 psig. Pressure regulating stations at Harborpointe and Savannah Pointe consisted of two pressure regulators installed in parallel, with no additional pressure relieving or pressure limiting device that would maintain the pressure in the pipeline system within the limits specified in § 192.201(a)(2)(iii) in the event of pressure control failure of either primary regulator.

Following PHMSA's inspection, CGS corrected this condition by installing an additional device in each system to maintain pressures within required limits in the event of a pressure control failure or some other type of failure.

**3. §192.603 General provisions.**

**(a) ....**

**(b) Each operator shall keep records necessary to administer the procedures established under §192.605.**

CGS failed to keep records demonstrating that it periodically reviewed the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modified the procedures when deficiencies were found, in accordance with 192.605(b)(8). When asked for records showing the results of procedural reviews, CGS representatives indicated that even though CGS used various methods to review procedures, it did not have a systematic means of documenting either the reviews or the results of the reviews.

**4. § 192.619 Maximum allowable operating pressure: Steel or plastic pipelines.**

**(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:**

**(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part. . . .**

CGS failed to comply with the regulation because it did not correctly determine the MAOP on segments of its LP-Gas pipeline systems, downstream of first-stage regulators<sup>2</sup>. Specifically, CGS did not consider the design pressure of the weakest element of the system when establishing the MAOP for each segment.

CGS records showed that it established an MAOP of 15 psig for segments of its Harborpointe and Savannah Pointe pipeline systems located downstream of first-stage regulators. In establishing the MAOP for piping downstream of first-stage regulators on these systems, CGS did not properly consider the design pressure of the weakest elements in these segments, the *Second-Stage regulators*<sup>3</sup> and/or *2-psi Service Regulators*<sup>4</sup>, which were stamped with a maximum inlet pressure of 10 psig. The 10 psig pressure rating established by the manufacturer is, in accordance with § 192.143, the design pressure of

---

<sup>2</sup> NFPA 58 § 3.3.64.2 defines a "*First-Stage Regulator*" as "A pressure regulator for LP-Gas vapor service designed to reduce pressure from the container to 10.0 psig (69 kPag) or less."

<sup>3</sup> NFPA 58 § 3.3.64.7 defines a "*Second-Stage Regulator*" as "A pressure regulator for LP-Gas vapor service designed to reduce first-stage regulator outlet pressure to 14 in. w.c. (4.0 kPag) or less."

<sup>4</sup> NFPA 58 § 3.3.64.10 defines a "*2-psi Service Regulator*" as "A pressure regulator for LP-Gas vapor service designed to reduce first-stage regulator outlet pressure to 2 psig (13.8kPag)."

the component, and is consistent with the pressure limits for regulators established in NFPA 58.

**5. §192.625 Odorization of gas**

**(a) ....**

**(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 [...]**

CGS failed to comply with the regulation because it did not conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor became readily detectable. During PHMSA's field inspection, PHMSA inspectors observed a CGS technician perform odorization testing using an odorant detection device calibrated for natural gas. Further questioning revealed that CGS was not using any device calibrated specifically for LP-Gas for taking its odorization readings. Consequently, CGS' odorization readings did not accurately represent the percentage of gas in air at which the odorant in its LP-Gas pipeline systems became readily detectable.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2018-0001W**. 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,

James A. Urisko  
Director, Office of Pipeline Safety  
PHMSA Southern Region