

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 18, 2018

Mr. Jeffry M. Householder  
President  
Florida Public Utilities Company  
P.O. Box 960  
Winter Haven, FL 33882

**CPF 2-2018-0003W**

Dear Mr. Householder:

From March 19 to 23, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, inspected the Florida Public Utilities (FPU) liquefied petroleum gas (LP-Gas) written procedures and records at its West Palm Beach, Florida, office and LP-Gas pipeline systems in Brevard, Broward, and Palm Beach counties, Florida, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it is alleged that FPU 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.**

FPU failed to meet the requirements of NFPA-58 (2004)<sup>1</sup> for each pipeline system, as follows:

**A. 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.**

FPU failed to locate the regulator point of discharge not less than 3 feet horizontally away from any building opening below the level of such discharge. PHMSA inspectors observed and photographed a regulator point of discharge less than 3 feet horizontally away from building openings below the point of discharge at 930 Periwinkle Circle in Barefoot Bay.

**B. NFPA 58 § 6.7.4.6**

**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.**

FPU failed to locate the regulator point of discharge not less than 5 feet, in any direction, away from any source of ignition. PHMSA inspectors observed and photographed regulators with a point of discharge less than 5 feet away from a source of ignition at 1465 Barefoot Circle on the Barefoot Bay system, 301 Casa Del Sol Circle on the Casa Del Sol system, and 1100 NW 44<sup>th</sup> Terrace on the Lauderhill system.

**2. § 192.707 Line markers for mains and transmission lines.**

**(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:**

**(1) At each crossing of a public road and railroad; ....**

FPU failed to meet the regulation because it did not place and maintain line markers as close as practical over each buried main at each crossing of a public road. During the field inspection, PHMSA inspectors identified locations where line markers were not placed and maintained over each buried main at crossings of NW 16<sup>th</sup> Court and NW 51<sup>st</sup> Avenue, on the Lauderhill system, and N Dolphin Circle, Papaya Circle, S Marlin Circle, Tarpon Drive, W Egret Circle, and Waterway Drive, on the Barefoot Bay system.

**3. § 192.721 Distribution systems: Patrolling.**

**(a) ....**

**(b) Mains in places or on structures where anticipated physical movement or**

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<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.

**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; ....**

FPU failed to meet the regulation because it did not patrol mains in business districts at intervals not exceeding 4½ months, but at least four times each calendar year. FPU records showed that FPU:

- A. Exceeded the 4½ month interval for patrolling the business district of its Barefoot Bay system between December 2, 2015 and May 11, 2016.
- B. Only patrolled the business district on its Lauderhill system three times in calendar year 2016.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, Florida Public Utilities Company is 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.

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. To the extent practicable, we advise you to correct the items identified in this letter. Failure to do so will result in Florida Public Utilities Company 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 2-2018-0003W**. 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