



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

233 Peachtree Street Ste. 600  
Atlanta, GA 30303

## WARNING LETTER

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

April 25, 2019

Mr. Hugh Gallagher  
President and CEO  
AmeriGas Propane, LP  
460 N. Gulph Road  
King of Prussia, PA 19406

**CPF 2- 2019-0003W**

Dear Mr. Gallagher:

On July 12, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety(OPS), inspected AmeriGas Propane, LP (AmeriGas) liquefied petroleum gas (LP-Gas) records and selected procedures in its Fort Myers, Florida, office and pipeline facilities in Lee County, Florida, pursuant to Chapter 601 of 49 United States Code (U.S.C.). The AmeriGas Fort Myers location operates under the Balgas business name.

As a result of the inspection, it is alleged that AmeriGas 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. § 191.11 Distribution system: Annual report.**

**(a) General. Except as provided in paragraph (b) of this section, each operator of a distribution pipeline system must submit an annual report for that system on DOT Form PHMSA F 7100.1-1. This report must be submitted each year, not later than March 15, for the preceding calendar year.**

**(b) Not required. The annual report requirement in this section does not apply to a master meter system or to a petroleum gas system that serves fewer than 100 customers from a single source.**

AmeriGas failed to meet the regulation because it did not submit complete and accurate annual reports for all of its distribution pipeline systems. Specifically, AmeriGas failed to provide a complete and accurate accounting of leaks repaired during calendar year 2017, on Part C of the 'Annual Report for Calendar Year 2017,' on its petroleum gas systems in Florida.

The Form PHMSA F 7100.1-1 is used to report all distribution pipeline systems, that serve 100 or more customers, for a given commodity and within a given state. Through its district offices, AmeriGas operates a number of petroleum gas distribution systems serving 100 or more customers in the State of Florida. The data on these is collected at the district level for inclusion in AmeriGas' statewide Annual Reports.

The calendar year 2017 district-level Form PHMSA F 7100.1-1 for the Heron's Glen system did not identify any repaired leaks. This conflicted with leak repair records maintained by the district. These records indicated at least 2 leaks repaired in 2017- one on Embarcadero Way North on (or about) July 25, and one on Valparaiso Boulevard North on (or about) August 3. These two leaks were not included on the district-level Form PHMSA F 7100.1-1 and therefore not included in the 'Annual Report for Calendar Year 2017' for AmeriGas petroleum gas systems in Florida.

2. **§ 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.**

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

**NFPA 58 § 5.10.5 Where fusible elements are used, they shall have a melting point not exceeding 250°F (121°C).**

AmeriGas failed to meet the requirements of NFPA 58 § 5.10.5 which requires fusible elements to have a melting point not exceeding 250°F.

The PHMSA inspector identified plastic air-line tubing<sup>2</sup> at the Heron's Glen regulator station, used a fusible element, that was not marked with a melting point temperature. The inspector asked AmeriGas personnel to provide the material specifications for the tubing to demonstrate that it met the NFPA melting point requirement. AmeriGas personnel researched the material specifications and determined that the melting point of the installed plastic tubing exceeded 250°F and, subsequently, replaced the tubing with tubing met the NFPA melting point requirement.

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

<sup>2</sup> The air-line tubing used in this instance was intended to meet the requirement that emergency shutoff valves be provided with a means of closing by manual shutoff from a remote location and automatic shutoff through thermal (fire) actuation.

**3. § 192.1011 What records must an operator keep?**

**An operator must maintain records demonstrating compliance with the requirements of this subpart for at least 10 years. The records must include copies of superseded integrity management plans developed under this subpart.**

**§ 192.1007 What are the required elements of an integrity management plan?**

**A written integrity management plan must contain procedures for developing and implementing the following elements:**

**(a) . . . .**

**(e) Measure performance, monitor results, and evaluate effectiveness.**

**(1) Develop and monitor performance measures from an established baseline to evaluate the effectiveness of its IM program. An operator must consider the results of its performance monitoring in periodically re-evaluating the threats and risks. These performance measures must include the following:**

**(i) . . . .**

**(v) Number of hazardous leaks either eliminated or repaired as required by §192.703(c) (or total number of leaks if all leaks are repaired when found), categorized by material; and [...]**

AmeriGas failed to maintain records demonstrating its compliance with certain Subpart P, Gas Distribution Pipeline Integrity Management, requirements. Specifically, AmeriGas failed to maintain records demonstrating that it considered in its performance monitoring the performance measure required by § 192.1007 (e)(1)(v), that is the number of hazardous leaks eliminated or repaired, as required by §192.703(c), categorized by material.

When the PHMSA inspector requested the 2017 performance measures for the Heron's Glen system, AmeriGas personnel directed the inspector to the calendar year 2017 PHMSA F 7100.1-1 for the Heron's Glen system for a summary of the performance measures. While the PHMSA F 7100.1-1 provided operators a place to report performance measures required by § 192.1007 (e)(1)(i) to (iv), it did not require or provide a place for operators to report the performance measure required by § 192.1007 (e)(1)(v). AmeriGas did not provide any other records to demonstrate that it had considered the number of hazardous leaks eliminated or repaired, categorized by material, in its performance monitoring .

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, AmeriGas 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. We advise you to correct the items identified in this letter. Failure to do so will result in AmeriGas 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 2-2019-0003W**. 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