

JANUARY 17, 2014

Mr. Stephen L. Wambold
Chief Executive Officer and President
Ferrellgas, LP
7500 College Boulevard, Suite 1000
Overland Park, Kansas 66210

Re: CPF No. 3-2013-0001

Dear Mr. Wambold:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and determines that Ferrellgas, LP, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Director, Central Region, OPS
Mr. Rufus Youngblood, Division Safety Manager, Ferrellgas, LP, One Liberty Plaza MD,
Liberty, MO 64068

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Ferrellgas, LP,)	CPF No. 3-2013-0001
)	
Respondent.)	
)	

FINAL ORDER

On September 5, 2012, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Ferrellgas, LP, (Ferrellgas or Respondent) in Green Bay, Wisconsin. Ferrellgas is a national supplier of propane gas to over one million residential, industrial, and agricultural customers and operates propane distribution facilities throughout the United States.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated June 26, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Ferrellgas had violated 49 C.F.R. § 192.605(a) and ordering Respondent to take certain measures to correct the alleged violations. The warning items required no further action but warned the operator to correct the probable violation or face possible enforcement action.

Ferrellgas responded to the Notice by letter dated August 19, 2013 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Ferrellgas did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

¹ See Ferrellgas, available at <http://www.ferrellgas.com/Propane-Services> (last accessed December 13, 2013).

Item 6: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow a manual of written procedures for conducting operations and maintenance activities. Specifically, the Notice alleged that Farrellgas failed to follow *Section 1 – Corrosion Protection – Above Ground Tanks and Piping* of its own Operations & Maintenance (O&M) manual, which required Respondent to inspect and maintain above-ground piping to prevent atmospheric corrosion. During the inspection, PHMSA inspectors observed above-ground piping at Gidden Lodge, Meadow Woods, Horseshoe Bay, and Green Bay that was unpainted and slightly pitted, a condition that did not match the description of the piping in Respondent’s inspection records.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow a manual of written procedures for conducting operations and maintenance activities.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 6 in the Notice for a violation of 49 C.F.R. § 192.605(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following action specified in the proposed compliance order:

1. With respect to the violation of § 192.605(a) (**Item 6**), Respondent has made repairs to the affected piping and provided PHMSA with documentation and photographs of the repairs.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 1-5, 7 and 8, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.11(b) **(Item 1)** — Respondent's alleged failure to follow the requirements of ANSI/NFPA 59, which requires an operator to incorporate specific standards regarding the design, operation, and maintenance of utility gas plants with greater than 4000 gallons aggregate water capacity;

49 C.F.R. § 192.11(b) **(Item 2)** — Respondent's alleged failure to follow the requirements of ANSI/NFPA 58 Section 6.7.4.6, which requires the point of discharge to be located not less than five feet in any direction away from a source of ignition, openings into direct-vent appliances, or mechanical ventilation air intakes;

49 C.F.R. § 192.11(b) **(Item 3)** — Respondent's alleged failure to follow the requirements of ANSI/NFPA 58 Section 5.7.5.1, which requires the pipe or tubing used to vent regulators to be one of the following: metal pipe and tubing in accordance with Section 5.8.3, PVC meeting the requirements of UL 651, Schedule 40, or 80 Rigid PVC Conduit;

49 C.F.R. § 192.11(b) **(Item 4)** — Respondent's alleged failure to follow the requirements of ANSI/NFPA 58 Section 6.7.2.5, which requires rain caps or other protectors to be designed to remain in place, except during pressure relief device operation, and not to restrict pressure relief device flow;

49 C.F.R. § 192.11(b) **(Item 5)** — Respondent's alleged failure to follow the requirements of ANSI/NFPA 59 Section 10.1.4, which requires relief devices, other than hydrostatic relief valves, to be tested for proper operation at intervals not exceeding five years;

49 C.F.R. § 192.517(a) **(Item 7)** — Respondent's alleged failure to make and retain for the useful life of a pipeline a record of each test performed under §§ 192.505 and 192.507; and

49 C.F.R. § 192.723(b) **(Item 8)** — Respondent's alleged failure to conduct leak surveys in business districts at least once each calendar year, but at intervals not exceeding 15 months.

Ferrellgas presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order [CPF No. 3-2013-0001] are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued