

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 26, 2013

Mr. Rufus Youngblood
Compliance Manager
Ferrell Gas
1 Liberty Plaza
Liberty, Missouri 64068

CPF 3-2013-0002M

Dear Mr. Youngblood:

On September 5, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Ferrell Gas, Inc. procedures for the liquid propane distribution facilities in Green Bay, Wisconsin. A follow-up inspection was conducted on November 6, 2012, in Liberty, Missouri.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Ferrell Gas, Inc. plans or procedures, as described below:

1. §192.11 Petroleum gas systems

- (b) Each pipeline system subject to this part that transports petroleum gas or petroleum gas/air mixtures must meet the requirements of this part and of ANSI/NFPA 58 and 59.**

Ferrell Gas failed to incorporate the standards of NFPA 59 into the design, operations and maintenance of utility gas plants greater than 4000 gallons aggregate water capacity as required by the scope of NFPA 58 and 59.

2. §192.11 Petroleum gas systems

- (b) Each pipeline system subject to this part that transports petroleum gas or petroleum gas/air mixtures must meet the requirements of this part and of ANSI/NFPA 58 and 59.**

NFPA 59 10.1.4 – Testing Relief Devices

Relief devices, other than hydrostatic relief valves, shall be tested for proper operation at intervals not exceeding 5 years.

Ferrell Gas does not have procedures to test pressure relief devices on the tank at intervals not exceeding five years. The O&M shall be revised to include a procedure to comply with NFPA 59 Section 10.1.4.

3. §192.605 Procedural manual for operations, maintenance, and emergencies

- (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

- (8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.**

Ferrell Gas does not have procedures or documentation to determine if and how procedures are effective and adequate for use in normal operations. The O&M shall be revised to include a procedure to comply with 192.605(b)(8).

4. §192.605 Procedural manual for operations, maintenance, and emergencies

- (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

Ferrell Gas does not have procedures to include a process for documenting the review and acceptance of contract procedures accepted by Ferrell Gas as the work is being performed by a contractor. Ferrell Gas shall keep copies of all procedures used in the construction and maintenance for each system.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Ferrell Gas maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to David Barrett, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2013-0002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*