

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED COMPLIANCE ORDER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

June 26, 2013

Mr. Ed Moreno  
Division President  
Tru-Gas, Inc.  
800 South Division Street, Suite D  
Waunakee, Wisconsin 53597

**CPF 3-2013-0003**

Dear Mr. Moreno:

On September 17, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected your propane distribution facilities in Lacrosse, Wisconsin.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

**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.**

Tru-Gas did not comply with the requirements of §192.11 by failing to follow the requirements of ANSI/NFPA 59 Section 10.1.4. Section 10.1.4 requires testing of relief devices, other than hydrostatic relief valves, to be tested for proper operation at intervals not exceeding 5 years.

Tru-Gas was unable to provide any evidence that it has ever inspected the relief devices for the Terlinqua and Pineview Trailer Parks.

**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.**

Tru-Gas did not comply with the requirements of §192.11 by failing to follow the requirements of with ANSI/NFPA 58 Section 4.4. Section 4.4 requires precautions (such as warning signs or devices, or barricades) to be taken against damage to liquefied petroleum gas systems where vehicular traffic is a possibility.

Tru-Gas failed to take precautions where vehicular traffic could possibly damage liquefied petroleum gas systems. Vehicles and trailers were observed parked inside the fenced enclosure next to the tanks and aboveground piping at the Pineview Trailer Park.

**3. §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.**

Tru-Gas did not comply with the requirements of §192.11 by failing to comply with ANSI/NFPA 58 Section 6.7.2.4. Section 6.7.2.4 requires that rain caps or other means shall be provided to minimize the possibility of the entrance of water or other extraneous matter into the relief device or any discharge piping. Provision shall be made for drainage where the accumulation of water is anticipated.

Tru-Gas failed to minimize the possibility of the entrance of water or other matter into the relief device or discharge piping. Rain caps were missing on hydrostatic relief valves at Edgewood Trailer Park and Pineview Trailer Park.

**4. §192.465 External corrosion control: Monitoring.**

**(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission line, not in excess of 100 feet (30 meters), or separately protected service line, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed**

**over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.**

Tru-Gas did not perform annual cathodic protection surveys on 47 steel risers located at Pineview Trailer Park in Lacrosse, Wisconsin. Tru-Gas employees stated they did not even know if there was ever a cathodic protection system in place.

Documentation was not available at the time of the inspection showing evidence that Tru-Gas was aware of the cathodic protection system.

**5. §192.481 Atmospheric corrosion control: Monitoring.**

**(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: At least once every 3 calendar years, but with intervals not exceeding 39 months**

Tru-Gas did not perform atmospheric corrosion surveys on 47 steel risers located at Pineview Trailer Park in Lacrosse, Wisconsin.

Documentation was not available at the time of the inspection showing evidence of inspection. The aboveground piping was observed to be pitted.

**6. §192.491 Corrosion control records**

**(a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.**

**(b) Each record or map required by paragraph (a) of this section must be retained for as long as the pipeline remains in service.**

**(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to 192.465(a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.**

Tru-Gas did not record the locations of the 47 steel risers in Pineview Trailer park and failed to record the approximate locations of the anodes on their maps.

Documentation was not available at the time of the inspection showing evidence that each of the cathodically protected piping was included on maps or records.

7. **§192.805 Qualification program.**

**Each operator shall have and follow a written qualification program. The program shall include provisions to:**

- (b) Ensure through evaluation that individuals performing covered tasks are qualified;**
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;**

Tru-Gas failed to ensure through evaluation that its employees were qualified to perform the covered tasks on Tru-Gas facilities.

Tru-Gas indicated that Shawn Allen, the Operator Qualification coordinator and administrator of training, performs each of the covered tasks listed in the OQ manual. Tru-Gas does not have records to indicate that Shawn Allen is qualified to perform covered tasks he performs.

8. **§192.16 Customer notification**

**(a) This section applies to each operator of a service line who does not maintain the customer's buried piping up to entry of the first building downstream, or, if the customer's buried piping does not enter a building, up to the principal gas utilization equipment or the first fence (or wall) that surrounds that equipment. For the purpose of this section, "customer's buried piping" does not include branch lines that serve yard lanterns, pool heaters, or other types of secondary equipment. Also, "maintain" means monitor for corrosion according to §192.465 if the customer's buried piping is metallic, survey for leaks according to §192.723, and if an unsafe condition is found, shut off the flow of gas, advise the customer of the need to repair the unsafe condition, or repair the unsafe condition.**

**(c) Each operator shall notify each customer not later than August 14, 1996 or 90 days after the customer first receives gas at a particular location, whichever is later. However, operators of master meters systems may continuously post a general notice in a prominent location frequented by customers.**

Tru-Gas failed to notify customers of buried customer piping. Buried customer piping was observed throughout Bluffside Trailer Park.

Documentation was not available at the time of the inspection showing evidence customers were notified of buried customer piping.

**9. §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. ....**
- (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.**

Tru-Gas failed to periodically review personnel performing work to determine the effectiveness and adequacy of their procedures used in normal operations and maintenance.

Documentation was not available at the time of the inspection showing evidence the procedures have been periodically reviewed.

**10. §192.707 Line markers for mains and transmission lines.**

- (d) Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker:**
  - (2) The name of the operator and telephone number (including area code) where the operator can be reached at all times.**

Tru-Gas did not have the correct line markers in place. For example, the line markers located in the Bluffside, Pineview and Terlinqua Trailer Parks had an incorrect operator name and telephone number and were labeled as a natural gas pipeline.

**11. §192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

- (a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent**

**with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations**

Tru-Gas failed to check any relief device annually to ensure they had sufficient capacity to protect the facilities to which they were connected.

Documentation was not available at the time of the inspection showing evidence the relief devices had been checked annually for capacity.

#### Proposed Compliance Order

With respect to item(s) 4-8, 10 and 11 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tru-Gas, Inc. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

#### Warning Items

With respect to item(s) 1, 2, 3 and 9, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

#### Response to this Notice

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. All material you submit in response to this enforcement action may be 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.

In your correspondence on this matter, please refer to **CPF 3-2013-0003** 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

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Compliance Proceedings*

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tru-Gas, Inc. a Compliance Order incorporating the following remedial requirements to ensure the compliance of Tru-Gas, Inc. with the pipeline safety regulations:

1. In regard to Item Number 4 of the Notice pertaining to the failure to perform annual cathodic protection readings on the 47 steel risers, Tru-Gas shall perform a cathodic protection survey and assure readings provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of Part 192. Any deficiencies shall be immediately corrected.
2. In regard to Item Number 5 of the Notice pertaining to the failure to perform atmospheric corrosion surveys, Tru-Gas shall inspect all aboveground steel piping at Pineview Trailer Park for evidence of atmospheric corrosion and correct any deficiencies.
3. In regard to Item Number 7 of the Notice pertaining to the failure to qualify Shawn Allen for covered tasks performed on the pipeline, Tru-Gas shall ensure that any individual who performs a covered task on the pipeline qualified on that task.
4. In regard to Item Number 8 of the Notice pertaining to the failure to notify customers of buried customer piping at Bluffside Trailer Park, Tru-Gas shall provide notification to the affected customers.
5. In regard to Item Number 6 of the Notice pertaining to the failure to record corrosion control using maps and records at Pineview Trailer Park, Tru-Gas shall revise applicable maps to ensure adequate documentation.
6. In regard to Item Number 10 of the Notice pertaining to the incorrect operator name and telephone numbers listed on line markers, Tru-Gas shall perform a survey on each system owned by Tru-Gas, Inc. and correct any deficiencies found with the line markers.
7. In regard to Item Number 11 of the Notice pertaining to the failure to check relief devices annually for capacity, Tru-Gas shall check the capacity of relief devices at or near the tank (ex. Fisher 289H). {The annual test to check the capacity does not include the tank relief (5 year requirement per NPFA 59) or pressure relief devices on regulators at a meter set}.
8. All documentation demonstrating compliance with each of the items outlined in this order must be submitted to David Barrett, Director, Central Region, Pipeline and Hazardous materials Safety Administration, 901 Locust Street, Kansas City, MO 64106, for review within 60 days after the Final Order has been issued.

9. It is requested that Tru-Gas, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to David Barrett, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.