

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 22, 2019

Ed Moreno
Division President
Suburban Propane, L.P.
800 South Division Street, Suite D
Waunakee, WI 53597

CPF 3-2019-0003

Dear Mr. Moreno:

On September 11-13, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your procedures, records and field facilities in West Salem and propane gas systems in La Cross and Juneau Counties, Wisconsin.

As a result of the inspection, it is alleged that Suburban Propane L.P. (Suburban) has committed violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. **§192.603 General provisions.**

(a)

(b) Each operator shall keep records necessary to administer the procedures established under §192.605.

Suburban did not keep records of its liaison meetings with fire, police and other public officials in accordance §192.603. Section 192.603 requires operators to keep records necessary to administer the procedures established under §192.605, which include the administering of Suburban's emergency plans as required by §192.615. During the inspection, Suburban was unable to produce records of the meetings with the appropriate fire, police and other public officials in order to demonstrate that it met the requirements of §192.615(c).

2. **§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.

Suburban failed to determine, at intervals not exceeding 15 months but at least once each calendar year, that the pressure relief devices at its six gas propane distribution systems had sufficient capacity to protect the facilities to which they are connected. Specifically, Suburban had no regulator station design information for the pressure limiting and regulating devices that would show that the determined or calculated capacities of the devices are sufficient to meet the pressure limits of §192.201(a). Additionally, Suburban was unable to provide records showing that the determined and calculated capacities of the pressure relief devices were reviewed for calendar years 2015, 2016 and 2017.

Additionally, PHMSA's inspector found the documented regulator orifices for the Fisher 627 devices were incorrect for the regulator stations at Pine Crest II, Edgewood, Pineview and Terlingua. The orifice size was listed as 1-inch for the Fisher 627 with 1-inch body at the Pine Crest II, Edgewood, and Pineview stations. The largest orifice for this device is ½- inch. The orifice size was listed as 2-inch for the Fisher 627 with 2-inch body at the Terlingua station. Likewise, the largest orifice for this device is ½ inch. Suburban revised this information after being informed by PHMSA's inspector.

3. **§192.619 Maximum allowable operating pressure: Steel or plastic pipelines**

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:

(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part. . .

(2) The pressure obtained by dividing the pressure to which the segment was tested after construction as follows . . .

Suburban did not correctly determine the maximum allowable operating pressure (MAOP) to be the design pressure of the weakest element of the segment. Suburban's records listed the MAOP on each of its six systems as 15 psig, but the PHMSA inspector found house service regulators having a maximum inlet pressure limit of 10 psig.

4. **§192.201 Required capacity of pressure relieving and limiting stations.**

(a) Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following:

(1) . . .

(2) In pipelines other than a low pressure distribution system: (i) . . .

(iii) If the maximum allowable operating pressure is less than 12 p.s.i. (83 kPa) gage, the pressure may not exceed the maximum allowable operating pressure plus 50 percent.

Suburban did not correctly set its pressure relief devices to operate at pressures consistent with the pressure limits of §192.201(a)(2)(iii). Records showed that Suburban's pressure relief devices were set between 19 and 19.5 psig for five regulator stations, located at Terlingua, Pineview, Bluffside, Pinecrest II, and Edgewood. This pressure setting is above the MAOP, exceeding the operating pressure by approximately 50 percent. The actual MAOP of the five stations is 10 psig, as limited by house service regulators. Therefore, the maximum pressure setting of the relief valves would be 15 psig.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$46,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$22,900
4	\$23,800

Proposed Compliance Order

With respect to items 1, 2, 3, and 4 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Suburban Propane, L.P. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2019-0003** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore
Director, Central Director, OPS
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 1 of the Notice pertaining to keeping records of its liason meetings with fire, police and other public officials, Suburban shall establish its liason with fire, police and public officials as required by §192.615(c) and keep records of these meetings to show compliance with Part 192. Suburban, L.P. shall provide records of its 2019 liason meetings to the Central Region Director.
2. In regard to Item Number 2 of the Notice pertaining to records of regulator station design capacities, Suburban shall document the design of each regulator station and pressure limiting station to include calculations of capacities of the devices to show that they are sufficient for the conditions under which they operate.
3. In regard to Item Number 3 of the Notice pertaining to determining the maximum allowable operating pressure (MAOP) of each segment, Suburban shall review the components of each system to determine the design pressure of the weakest element of the segment and update the MAOP determinations. Records of the MAOP determinations shall be keep.
4. In regard to Item Number 4 of the Notice pertaining to setting pressure relief devices at pressures consistent with the pressure limits of §192.201(a)(iii), Suburban must adjust its pressure limiting and relieving devices to be in compliance with §192.201 and document the pressure settings if each device.
3. Suburban shall complete and provide documentation of the actions taken for Items 1-4 of the Proposed Compliance Order to Allan C. Beshore, Director, Central Director, OPS, Pipeline and Hazardous Materials Safety Administration within 90 days after receipt of a Final Order.
4. It is requested (not mandated) that Suburban Propane, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Allan C. Beshore, Director, Central Region, OPS, 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.