

Mr. Ernie Hommerding
Property Supervisor
Safety Investment Company
P.O. Box 3925
Ontario, CA 91761

Re: CPF No. 55001

Dear Mr. Hommerding:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and requires certain corrective action. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL -- RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)
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Safety Investment Company,) CPF No. 55001
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Respondent.)
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FINAL ORDER

On November 17, 1994, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records at the Tall Pines Mobile Home Estates near Grass Valley, California. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated January 27, 1995, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 192 and proposed that Respondent take certain measures to correct the alleged violations. The Notice also warned Respondent to take appropriate corrective action.

Respondent responded to the Notice by letter dated February 21, 1995 (Response). Respondent contested the allegations on jurisdictional and other grounds. Respondent has not requested a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent had committed violations of 49 C.F.R. Part 192. In its Response, Respondent contested these allegations on two grounds. First, Respondent contended that it is not required to comply with the federal pipeline

safety regulations set forth in 49 C.F.R. Part 192 because its facility was permitted, inspected and approved by Nevada County at the time of construction. Under 49 U.S.C. § 60118(a), each person who owns or operates a pipeline facility is required to comply with applicable federal regulations. The scope of the federal regulations extends to propane distribution systems that supply ten or more customers. 49 C.F.R. § 192.1(b)(4)(I). Because Respondent operates a pipeline facility with the capacity to serve ninety-six customers, it is required to comply with Part 192. Following submission of the Response, the OPS inspector who performed the inspection telephoned Respondent and explained the scope of the federal pipeline safety regulations. During that conversation, Respondent concurred that the regulations apply and agreed to begin undertaking the necessary upgrades.

Second, Respondent stated that at the time of inspection it had in place both an operating and maintenance plan and an emergency plan but that these plans were inadvertently not made available to the inspector. Thus, Respondent contended, it did not violate 49 C.F.R. § 192.603(b), 192.605, and 192.615. However, no copies of these plans have been provided to OPS to date. Thus, OPS has had no opportunity to assess these plans to determine whether they comply with the regulatory requirements.

Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

§ 192.161(c) -- usage of combustible material to support an aboveground section of pipeline;

§ 192.365 -- failure to install shutoff valves in readily accessible locations upstream of regulators;

§ 192.453 -- failure to establish procedures for the design, installation, operation and maintenance of a cathodic protection system;

§ 192.455 -- failure to provide cathodic protection for steel portions of the distribution system;

§ 192.467 -- failure to electrically isolate a buried or submerged pipeline from other underground metallic structures;

§ 192.479 -- failure to protect aboveground sections of the pipeline from atmospheric corrosion;

§ 192.517 -- failure to make and retain records documenting that testing of the distribution system had been performed to satisfy the requirements of § 192.505 and § 192.507;

§ 192.603(b) -- failure to establish and make available an adequate operating and maintenance plan;

§ 192.605 -- failure to include adequate procedures in its operating and maintenance plan;

§ 192.615 -- failure to establish and make available an adequate emergency plan;

§ 192.617 -- failure to establish procedures for investigating accidents and failures; and

§ 192.619 -- failure to establish a maximum allowable operating pressure for the distribution system.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is hereby ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. Establish a written corrosion control program that includes the design, installation, operation and maintenance of cathodic protection systems to satisfy the requirements of 49 C.F.R. § 192.453 and Subpart I.
2. Cathodically protect steel portions of the distribution system to satisfy the requirements of 49 C.F.R. § 192.455. The cathodic protection system must be designed to protect the pipeline system in its entirety in accordance with Subpart I.
3. Electrically isolate each service line riser from all other underground metallic structures.

4. Replace the combustible 4" by 4" wood blocks utilized for the support of meter sets with supports designed and installed to satisfy the requirements of 49 C.F.R. § 192.161.
5. Provide shutoff valves for all service lines to satisfy the requirements of 49 C.F.R. § 192.365.
6. Clean and coat all pipelines exposed to the atmosphere with a material suitable for the prevention of atmospheric corrosion.
7. Provide documentation that the distribution system was tested in accordance with 49 C.F.R. Part 192 - Subpart J. If this is not feasible, test the distribution system in accordance with Subpart J.
8. Establish a written operating and maintenance plan that meets the requirements of 49 C.F.R. § 192.603(b) and 192.605. At a minimum, the operating and maintenance plan shall include the following elements:
 - (a) Written instructions for employees covering operating and maintenance procedures during normal operations and repairs;
 - (b) Written procedures for items required to be included by the provisions of Subpart M of Part 192; and
 - (c) Written programs relating to facilities presenting the greatest hazard to public safety either in an emergency or because of extraordinary construction or maintenance requirements.
10. Establish written procedures to minimize the hazard resulting from a gas pipeline emergency to satisfy the requirements of 49 C.F.R. § 192.615.
11. Establish written procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence to satisfy the requirements of 49 C.F.R. § 192.617.

12. Establish written procedures for maximum allowable operating pressure for steel and/or plastic pipelines to satisfy the requirements of 49 C.F.R. § 192.619.
13. When appropriate procedures have been prepared, submit to
Director, Western Region
Office of Pipeline Safety
Research and Special Programs Administration
12600 W. Colfax Avenue, Suite A250
Lakewood, CO 80215.
14. Item 2 must be completed by 90 days following receipt of the Final Order. The Regional Director may grant an extension of time upon receipt of a written request stating the reasons therefor.
15. The remaining items must be completed within 60 days following receipt of the Final Order. The Regional Director may grant an extension of time upon receipt of a written request stating the reasons therefor.

WARNING ITEM

The Notice did not propose any penalty with respect to item 2; therefore, Respondent is warned that should it not take appropriate corrective action and a violation come to the attention of OPS in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of the Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.

Richard B. Felder
Associate Administrator for
Pipeline Safety

Date Issued: 07/31/1997