WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 2, 2013

Ms. Sharon Wilson
Property Manager
Dunoon Royal Stewart Arms
1 Royal Stewart Parkway
Dunedin, FL 34698

CPF 2-2013-0018W

Dear Ms. Wilson:

On March 19, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, inspected the Dunoon Royal Stewart Arms master meter and downstream piping and facilities at 1 Royal Stewart Parkway, Dunedin, Florida.

As a result of the inspection, it appears that Dunoon Royal Stewart Arms has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

1. **§192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**
   (a) Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:
   ... (2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.

   Dunoon Royal Stewart Arms did not install, and place in operation within one year after completion of construction, a cathodic protection system designed to protect a buried pipeline against external corrosion.

   Dunoon Royal Stewart Arms has 962 feet of 2-6-inch BIW coated buried pipe. Some of this pipe was installed after July 3, 1971, but Dunoon Royal Stewart Arms has not installed a cathodic protection system designed to protect the pipeline against external corrosion.

2. **§192.457 External corrosion control: Buried or submerged pipelines installed before August 1, 1971.**
…. (b) Except for cast iron or ductile iron, each of the following buried or submerged pipelines installed before August 1, 1971, must be cathodically protected in accordance with this subpart in areas in which active corrosion is found:
…. (3) Bare or coated distribution line.

Dunoon Royal Stewart Arms has 962 feet of 2-6-inch BIW coated buried pipe. Some of this pipe was installed before August 1, 1971, but Dunoon Royal Stewart Arms has not installed a cathodic protection system designed to protect the pipeline against external corrosion. Moreover, Dunoon Royal Stewart Arms did not present to the PHMSA inspector any records to demonstrate that there are no areas of active corrosion on these lines. The methods and required time intervals an operator must use to determine if areas of active corrosion exist on its pipelines are described in §192.465(e).

3. **§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:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	**At least once every 3 calendar years, but with intervals not exceeding 39 months**
Offshore	**At least once each calendar year, but with intervals not exceeding 15 months**

... (c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by Sec. 192.479.

Dunoon Royal Stewart Arms did not inspect its onshore pipeline exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. Moreover, Dunoon Royal Stewart Arms did not provide protection against atmospheric corrosion in accordance with §192.479, which requires pipelines to be properly cleaned and coated to prevent atmospheric corrosion.

The PHMSA inspector observed and photographed master meter with associated piping that showed signs of atmospheric corrosion. This portion of pipeline had not been properly cleaned and coated to prevent atmospheric corrosion.

4. **§192.625 Odorization of gas.**
... (f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. Operators of master meter systems may comply with this requirement by-
(1) Receiving written verification from their gas source that the gas has the proper concentration of odorant; and

(2) Conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.

Dunoon Royal Stewart Arms did not present to the PHMSA inspector any records to demonstrate that it had assured the proper concentration of odorant in its pipeline system by receiving written verification from its gas source that the gas has the proper concentration of odorant or by conducting periodic "sniff" tests at the extremities of the system to confirm that the gas contains odorant.

5. **§192.721 Distribution systems: Patrolling.**
   (a) The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.
   (b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled -
   (1) In business districts, at intervals not exceeding 4 1/2 months, but at least four times each calendar year; and
   (2) Outside business districts, at intervals not exceeding 7 1/2 months, but at least twice each calendar year.

   Dunoon Royal Stewart Arms did not present to the PHMSA inspector any records to show it patrolled its distribution system in the residential area at intervals not exceeding 7½ months, but at least twice each calendar year.

6. **§192.747 Valve maintenance: Distribution systems.**
   (a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.
   (b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

   Dunoon Royal Stewart Arms did not present to the PHMSA inspector any records to demonstrate that it had checked and serviced its shut off (or key valve) which may be necessary for the safe operation of its distribution system at intervals not exceeding 15 months, but at least once each calendar year.

Under 49 United States Code, §60122, Dunoon Royal Stewart Arms is subject to a civil penalty not to exceed $200,000 per violation per day the violation persists up to a maximum of $2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed $100,000 per violation per day, with a maximum penalty not to exceed $1,000,000 for a related series of violations. 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 correct the items identified in this letter. Failure to do so will result in the Dunoon Royal Stewart Arms being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2013-0018W**. 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).

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region