U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 11, 2014

Mr. Jeff Biegelsen
Owner & President
Starrett Building Company
740 South Andrews Avenue
Fort Lauderdale, FL 33316

CPF 2-2014-0014W

Dear Mr. Biegelsen:

On June 23-27, 2014, 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 Starrett Building Company (Starrett) liquefied petroleum gas (LPG) facilities and records in Ft. Lauderdale and Hollywood, Florida.

As a result of the inspection, it appears that Starrett 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. **§192.11 Petroleum gas systems.**
   … (b) Each pipeline system subject to this part that transports only petroleum gas or petroleum gas/air mixtures must meet the requirements of this part and of ANSI/NFPA 58 and 59.[1]

   Starrett did not operate its LPG pipeline system to meet the requirements of Part 192 and ANSI/NFPA 58. Section 6.14 in NFPA 58 (2004 Edition) requires all metallic equipment and components to be coated or protected to minimize corrosion.

[1] Part 192 currently incorporates by reference NFPA 58 (2004) "Liquefied Petroleum Gas (LP – Gas Code)" and NFPA 59 (2004) "Utility LP-Gas Plant Code."

A review of Starrett's records showed that it took cathodic protection tank-to-soil readings on several of its buried metallic storage tanks in September 2012 and in December 2013. These readings ranged from - 439 mV to - 823 mV. None of the readings met the criteria for minimum cathodic protection contained in 49 CFR Part 192, Appendix D.[2]

2. **§ 192.465 External corrosion control: Monitoring.**
... (d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Starrett did not take prompt remedial action to correct external corrosion control deficiencies identified by its monitoring. Starrett identified many low[3] pipe-to-soil readings during its cathodic protection surveys conducted in 2012 and 2013 as shown in Table 1. All readings shown in the table fail to meet the criteria for cathodic protection contained in the federal pipeline safety regulations. Yet, at the time of the PHMSA inspection, Starrett had not taken any remedial actions to correct these deficiencies.

City	Building Address	Unit	Date & Reading
Hollywood	2335 McClellan Street	Collins	9/12/12 -337 mV 12/10/13 -333 mV
Hollywood	2327 McClellan Street	Collins	9/12/12 -339 mV 12/10/13 -336 mV
Hollywood	2319 McClellan Street	Collins	9/12/12 -227 mV 12/10/13 -296 mV
Hollywood	2310 McClellan Street	Barton	9/11/12 -369 mV 12/9-10/13 -320 mV
Hollywood	2318 McClellan Street	Barton	9/11/12 -383 mV 12/9-10/13 -300 mV
Hollywood	2334 McClellan Street	Barton	9/11/12 -377 mV 12/9-10/13 -344 mV
Hollywood	2335 Charleston Street	Barton	9/11/12 -627 mV 12/9-10/13 -733 mV
Ft. Lauderdale	1444 NW 3rd Street	Alden Hotel	9/6/12 -353 mV 12/3/13 -271 mV
Ft. Lauderdale	1440 NW 3rd Street	Alden Hotel	9/6/12 -671 mV 12/3/13 -635 mV
Ft. Lauderdale	1521 NW 3rd Street	Alden Manor	9/5/12 -627 mV 12/2-3/13 -318 mV
Ft. Lauderdale	1510 NW 3rd Street	Alden Manor	9/5/12 -763 mV 12/2-3/13 -322 mV
Ft. Lauderdale	1370 NW 3rd Street	Alden Manor	9/5/12 -459 mV 12/2-3/13 -411 mV
Ft. Lauderdale	2204 NW 9th Street	Lenox Hotel	9/6/12 -699 mV 11/27/13 -453 mV

[2] The criteria for cathodic protection are contained in 49 CFR Part 192, Appendix D. The criteria being referenced in this letter is negative (cathodic) voltage of at least 850mV with reference to a saturated copper-copper sulfate half-cell. Accordingly, a "low" p/s reading is a reading less negative than 850mV.

[3] IBID

3. **§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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

   Starrett did not review and update its manual of written procedures for conducting operations and maintenance activities and for emergency response at intervals not exceeding 15 months, but at least one each calendar year. The written procedures manual presented to the PHMSA inspectors at the operator's field office was dated 1997 and had not been updated for many years. Moreover, it did not contain operations, maintenance, and emergency response procedures specific to Starrett's LPG system.

4. **§192.614 Damage Prevention Program.**
(a) Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purposes of this section, the term "excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earthmoving operations.

   Starrett did not present records to demonstrate that it had a written program to prevent damage its LPG pipeline system from excavation activities.

5. **§192.615 Emergency Procedures.**
(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency.

   Starrett did not present records to demonstrate that it had emergency procedures for its LPG pipeline system.

6. **§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.

Starrett did not assure the proper concentration of odorant by conducting periodic sampling of combustible gases using an instrument[4] capable of determining the percentage of gas in air at which the odor becomes readily detectable.

7. **§192.721 Distribution systems: Patrolling.**
   ... (b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled -
   ... (2) Outside business districts, at intervals not exceeding 7 1/2 months, but at least twice each calendar year.

   Starrett did not present records to show it had patrolled its distribution system outside business districts at intervals not exceeding 7½ months, but at least twice each calendar year.

8. **§192.809 General**
   (a) Operators must have a written qualification program by April 27, 2001. The program must be available for review by the Administrator or by a state agency participating under 49 U.S.C. Chapter 601 if the program is under the authority of that state agency.

   Starrett did not present records to show it had a written qualification program.

9. **§192.1015 What must a master meter or small liquefied petroleum gas (LPG) operator do to implement this subpart?**
   (a) General. No later than August 2, 2011 the operator of a master meter system or a small LPG operator must develop and implement an IM program that includes a written IM plan as specified in paragraph (b) of this section. The IM program for these pipelines should reflect the relative simplicity of these types of pipelines.

   Starrett did not present records to show it had a written IM Program.

Under 49 United States Code, § 60122, Starrett Building Company 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 Starrett Building Company 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 2-2014-0014W**. 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),

[4] Since Starrett was not operating a master meter system, the only acceptable method of complying was to use an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

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

CC: Georges Drainville
Operations Manager
318 NW 17th Avenue
Fort Lauderdale, FL 33311