

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 2020

Mr. Anthony Hewitt
Gas T&D Manager
Gainesville Regional Utilities Gas Department
3805 NW 97th Boulevard
Gainesville, FL 32606

CPF 2-2020-0003W

Dear Mr. Hewitt:

Between September 30 and October 3, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, inspected the Gainesville Regional Utilities (GRU) liquefied petroleum gas (LP-Gas) procedures and records in GRU's Gainesville, Florida, offices and pipeline facilities located in Alachua County, Florida, pursuant to Chapter 601 of 49 United States Code (U.S.C.).

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

1. § 192.491 Corrosion control records.

....

(a) 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

(b) 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.

GRU failed to meet the regulation because it did not maintain records of each test, survey, or inspection required by Subpart I (Requirements for Corrosion Control) in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition did not exist. Specifically, GRU failed to maintain records for atmospheric corrosion control monitoring, required by § 192.481(a), that it performed at risers, service regulators, meters, and associated piping.

While reviewing atmospheric corrosion control monitoring records, the PHMSA inspector noted that the provided records were for atmospheric monitoring that occurred at or upstream of the regulator station and inquired about any monitoring performed downstream of the regulator station. GRU personnel informed the inspector that such monitoring was performed by the meter operations group, a different group within GRU, and contacted that group to request any records it had for the atmospheric corrosion monitoring. The inspector was informed that GRU performs its atmospheric monitoring annually, which is more frequent than the once every 3 calendar year required by § 192.481(a). However, no records were produced for pipeline facilities downstream of the regulator station.

Through several follow-up communications, GRU clarified that it performs its LP system surveys biannually and that service orders, for mitigation, are automatically generated when a meter reader codes a gas service as ‘a rusty gas line.’ Additionally, GRU produced records of completed service orders that resulted from its October 2019 survey to demonstrate its process and to show that it was addressing any atmospheric corrosion identified through its surveys. However, GRU did not produce any other records, for locations where it did not identify corrosion, showing that it performed the monitoring or to demonstrate the adequacy of corrosion control measures or that a corrosive condition did not exist.

2. § 192.603 General provisions.

....

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

GRU failed to meet the regulation because it did not keep records necessary to administer the procedures established under § 192.605. Specifically, GRU did not keep records for the distribution system patrolling it performed in accordance with § 192.721(b).

When asked for records demonstrating that GRU patrolled its mains as required by § 192.721(b), GRU personnel explained that they observe their mains on a regular basis during meter reading and while performing various operations and maintenance activities. However, GRU was unable to produce any records showing when mains were patrolled, the portions of systems patrolled, the personnel who performed the patrols, and whether any surface conditions required remedial action.

Through several follow-up communications, GRU clarified that it performs its LP system surveys biannually and stated that “[t]he system patrol is done the same time as the atmospheric corrosion inspection” and also acknowledged that “[t]hey do it, but really don’t have a way to document it.”

3. § 192.723 Distribution systems: Leakage surveys.

....

(a) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

....

(1) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to § 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

GRU failed to meet the regulation because it did not conduct distribution system leakage surveys outside business districts at least once every 5 calendar years at intervals not exceeding 63 months. Specifically, the time between leakage surveys on three (3) of its LP-Gas distribution system exceeded the 63 months allowed by the regulation. The following table lists the systems and the dates of GRU’s distribution system leakage surveys:

LP-Gas Distribution System	Date(s) of Leakage Survey	Date(s) of Prior Leakage Survey	Exceeded 63 months by
Charleston East	Jun 21, 2017	Sep 07, 2011	6 months
Meadows of Kanapaha	Jul 16, 2018	Jan 17, 2013	3 months
The Grove	Jun 22 to 28, 2017	Mar 15 to 21, 2012	1 week

4. § 192.741 Pressure limiting and regulating stations: Telemetering or recording gauges.

(a) Each distribution system supplied by more than one district pressure regulating station must be equipped with telemetering or recording pressure gauges to indicate the gas pressure in the district.

GRU failed to meet the regulation because it did not supply each distribution system with a sufficient number of telemetering or recording gauges to indicate the gas pressure supplied within each district. Specifically, GRU did not equip one of its LP-Gas distribution systems, The Grove, with a sufficient number of telemetering or recording gauges such that the performance of each district regulator and auxiliary equipment was adequately monitored to detect unsatisfactory operation.

A review of records and field observations identified that The Grove was supplied by two (2) district regulator stations, with the system feeds located on opposite ends of the system. However, the only telemetering device in the system was installed immediately downstream of the Tank 1 regulator station. As indicated by § 192.741(c) the purpose of paragraph (a) is to identify any high or low pressures within a distribution system which would indicate unsatisfactory operation of a pressure regulator or auxiliary equipment supplying the district with gas. GRU did not have telemetering in place that would have indicated unsatisfactory operation of the Tank 7 regulator station.

Subsequent to the inspection, GRU installed telemetering equipment to monitor the performance of the Tank 7 regulator station.

5. **§ 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.

GRU failed to meet the regulation because it did not ensure that pressure relief devices at its pressure regulating stations had sufficient capacity, consistent within the pressure limits of § 192.201(a), to protect the facilities to which they were connected. Specifically, in October 2018, GRU installed new relief devices on two of its distribution systems, Meadows of Kanapaha and Newberry Oaks, and did not evaluate whether the devices had sufficient capacity. In July 2019, GRU performed maintenance on the devices, but still did not evaluate whether the capacity of the relief devices was adequate.

The October 2018 regulator station maintenance records for the Meadows of Kanapaha and Newberry Oaks distribution systems, reviewed during the inspection, indicated that GRU replaced the relief devices on the two systems with Flow Safe F85 “pop-off” relief valves. The Flow Safe installation was noted in the remarks, however, the section, of the form, for relief valve information identified the relief valve model and relief capacity of the device that was replaced. The relief valve section was not updated to reflect the newly installed device or its relief capacity. The relief valve section of the July 2019 regulator station maintenance records for the two systems properly identified the Flow Safe relief devices but still listed the relief capacity of the previously replaced devices.

During the field inspection of the two systems, the PHMSA inspector observed that the relief capacity of the Flow Safe devices was lower than the relief capacity listed on the October 2018 and July 2019 maintenance forms.

Through several follow-up communications, GRU acknowledged that “[a] re-inspection determined that the relief valves at these sites were not sufficient for the application” and that “Fisher 289 reliefs were installed to mitigate this concern.” GRU supplied records of capacity evaluations for the Fisher reliefs it installed.

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.

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 Gainesville Regional Utilities Gas Department 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 **2-2020-0003W**. 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,

James A. Urisko
Director, Office of Pipeline Safety
PHMSA Southern Region