NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER

VIA ELECTRONIC MAIL TO: Johnfegett@Ferrellgas.com; jamesferrell@ferrellgas.com; rufusyoungblood@ferrellgas.com

November 16, 2023

Mr. James E. Ferrell
Chairman, Chief Executive Officer and President
Ferrellgas, L.P.
One Liberty Plaza
Liberty, Missouri 64068

CPF 2-2023-013-NOPV

Dear Mr. Ferrell:

Between September 27 and 30, 2021, and November 1 and 5, 2021, a representative from the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS), conducted on-site pipeline safety inspections of Ferrellgas, L.P.'s ("Ferrellgas") liquefied petroleum gas (LP-Gas) distribution systems' procedures, records, and facilities in Martin County, Florida.

A follow-up inspection of records for Ferrellgas' Martin County facilities took place via video conference on April 28, 2022.

All inspections were carried out pursuant to Chapter 601 of 49 United States Code (U.S.C.).

As a result of the inspection, it is alleged that your company 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. **§ 191.11 Distribution system: Annual report.**

(a) General. Except as provided in paragraph (b) of this section, each operator of a distribution pipeline system must submit an annual report for that system on DOT Form PHMSA F 7100.1-1. This report must be submitted each year, not later than March 15, for the preceding calendar year.

Ferrellgas failed to comply with the requirements set forth in § 191.11(a) because the company did not submit a complete and accurate annual report containing all the information required on *DOT Form PHMSA F 7100.1-1*. Ferrellgas' calendar year 2020 Annual Report for Florida, which contained data on its three (3) large LP-Gas systems, contained inaccurate data in several key areas, including:

- Part B.3 (Number of Services in the System at End of Year)

  Ferrellgas misclassified the diameter of its Plastic PE services and may have misreported the total number of services. Specifically, Ferrellgas reported the diameter of 316 of its Plastic PE services as "Over 1 inch thru 2 inch," when, according to Ferrellgas records, personnel statements, and field observations, most, if not all, of the services on its three (3) large LP-Gas systems belonged in the "1-inch or less" category. Additionally, during field visits to the three systems included in the report, thirteen inactive service lines were found, but it did not appear that these inactive services were included in the report. Therefore, the reported number of 316 services may not represent an accurate count of the total number of service lines.[1]

- Part C (Total Leaks and Hazardous Leaks Eliminated/Repaired During the Year)

  Ferrellgas reported no data. Based on Ferrellgas' records, the total number of leaks eliminated was greater than zero. During the inspection, Ferrellgas personnel acknowledged that the number of leaks was greater than zero but were unable to provide a complete and accurate count.

- Question D.2 (Number of Excavation Tickets)

  Ferrellgas reported that it had zero excavation tickets. Based on Ferrellgas' records and statements made by operator personnel, the number of excavation tickets in calendar year 2020 was greater than zero.

Following the inspection, Ferrellgas personnel attempted to gather and compile the data for Part C, ultimately informing the PHMSA inspector that they were unable to gather all the information needed to submit a revised 2020 Annual Report for its Florida assets.

2. **§ 192.11 Petroleum gas systems.**

(a) . . . .

(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.

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[1] The instructions for completing *DOT Form PHMSA F 7100.1-1* make it clear that the "Number of Service" field refers to the number of service lines, not the number of customers served.

Ferrellgas failed to comply with the requirements set forth in § 192.11(b), because the company did not ensure that its pipeline systems subject to this part met the requirements of NFPA 58 (2004)[2] § 5.2.8.3, as follows:

NFPA 58 § 5.2.8.3
The markings specified for ASME containers shall be on a stainless steel metal nameplate attached to the container, located to remain visible after the container is installed.
(A) . . . .
(B) Where the container is buried, mounded, insulated, or otherwise covered so the nameplate is obscured, the information contained on the nameplate shall be duplicated and installed on adjacent piping or on a structure in a clearly visible location.
(C) . . . .

Ferrellgas did not adhere to the requirements specified in § 5.2.8.3,[3] which, in part, required that nameplates attached to containers be located to remain visible after the container installation or, when the nameplate was obscured because the container was buried, mounded, insulated, or otherwise covered, that the information contained on the nameplate was duplicated and installed on adjacent piping or on a structure in a clearly visible location.[4]

During field visits to Sailfish Point and The Villas in September and November 2021, the PHMSA inspector and Ferrellgas personnel were unable to locate nameplates on six buried containers at Sailfish Point and two buried containers at The Villas. In addition, they did not find the required information duplicated on adjacent piping or structures in visible locations. At The Villas, a detached nameplate was found, but the source container could not be determined.

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[2] The 2004 edition of NFPA 58, "Liquefied Petroleum Gas Code (LP-Gas Code)," is the edition currently incorporated, by reference, in §192.7.

[3] NFPA 58 (2004) § 5.2.8.3 is referenced here for simplicity. In general, pipeline facilities must meet the design and construction requirements that are in place at the time of construction. PHMSA acknowledges that some or all of the ASME containers referenced in this letter were installed prior to incorporation of the 2004 edition of the NFPA 58 standard, and, as such, must meet the design and construction requirements of the NFPA 58 edition incorporated by reference at the time they were constructed. In citing § 5.2.8.3, of NFPA 58 (2004), PHMSA is citing the NFPA 58 requirement that the nameplate remain visible after the containers are installed – a requirement that has existed since, at least, the 1969 edition of NFPA 58.

[4] The exception allowing the information contained on the nameplate, of a buried container, to be duplicated and installed in a clearly visible location was first introduced, in an edition incorporated into 49 C.F.R. Part 192, in the 1992 edition of NFPA 58.

In April 2022, Ferrellgas informed the inspector that the company replaced two containers at The Villas on or about March 14, 2022, and had abandoned one of the six containers at Sailfish Point, though the exact date was not given.

3. § 192.11 Petroleum gas systems.

(a) . . . .

(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.

Ferrellgas failed to comply with the requirements set forth in § 192.11(b), because the company did not ensure that its pipeline systems subject to this part met the requirements NFPA 58 (2004)[5] §§ 6.7.2.4 and 6.7.2.5, as follows:

NFPA 58 § 6.7.2.4

Rain caps or other means shall be provided to minimize the possibility of the entrance of water or other extraneous matter into the relief device or any discharge piping. Provision shall be made for drainage where the accumulation of water is anticipated.

NFPA 58 § 6.7.2.5

The rain cap or other protector shall be designed to remain in place, except during pressure relief device operation and shall not restrict pressure relief device flow.

Ferrellgas did not adhere to the requirements specified in §§ 6.7.2.4 and 6.7.2.5, which required that a rain cap or other means be provided to prevent water or extraneous matter from entering the relief device or discharge piping, and that the rain cap or other protector remain in place, except during pressure relief device operation, and not restrict the flow of the device. These measures are necessary to ensure that the relief device operates properly, without interference from external factors, and to provide an indication that the pressure relief device had operated.

During the field inspection at Orchid Bay, the PHMSA inspector observed, documented, and photographed three buried ASME containers that did not comply with the requirements of NFPA 58 §§ 6.7.2.4 and 6.7.2.5. Specifically:

- At the Mapp Road storage location, one container had no rain cap, which allowed the relief device to fill with dirt. Meanwhile, another container, despite having a rain cap, had its relief device filled with dirt and water.
- At the Back storage location, the sole container had a relief device that did not have a rain cap and was found filled with dirt.

4. § 192.11 Petroleum gas systems.

(a) . . . .

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[5] See Footnote 2 above.

(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.

Ferrellgas failed to comply with the requirements set forth in § 192.11(b), because the company did not ensure that its pipeline systems subject to this part met the requirements NFPA 58 (2004)[6] § 6.7.4.6, as follows:

NFPA 58 § 6.7.4.6
The point of discharge [of a regulator] shall also be located not less than 5 ft (1.5 m) in any direction away from any source of ignition, openings into direct-vent (sealed combustion system) appliances, or mechanical ventilation air intakes.

Ferrellgas did not adhere to the requirements specified in § 6.7.4.6, which, in part, required that the point of discharge of regulators be located at a distance not less than 5 feet in any direction from any source of ignition.

During a field visit to inspect LPG distribution systems, the PHMSA inspector documented and took pictures of second-stage regulators whose point of discharge was located within 5 feet of a source of ignition. The inspector identified 55 such locations, broken down by system and street, as follows:

The Arbors (15 total)
- 4 on SE Forest Glade Trail
- 2 on SE Mammoth Drive
- 5 on SE Sequoia Drive
- 4 on SE Teton Drive

Islesworth (20 total)
- 7 on SW Captiva Court
- 5 on SW Estella Terrace
- 5 on SW Longboat Way
- 3 on SW Marco Lane

Orchid Bay (14 total)
- 1 on SW Coral Tree Lane
- 10 on SW Orchid Bay Drive
- 3 on SW Jasmine Trace

Sailfish Point (2 total)
- 2 on SE Island Point Lane

The Villas (4 total)
- 4 on SW Estella Terrace

On September 4, 2014, the Director of the Southern Region, Office of Pipeline Safety, issued a Warning Letter (CPF 2-2014-0016W) to Ferrellgas for not installing second-stage regulators at a proper distance from ignition sources in these same Martin County systems.

5. § 192.285 Plastic pipe: Qualifying persons to make joints.

(a) . . . .

(b) A person must be re-qualified under an applicable procedure once each calendar year at intervals not exceeding 15 months, or after any production joint is found unacceptable by testing under § 192.513.

[6] See Footnote 2 above.

(c) Each operator shall establish a method to determine that each person making joints in plastic pipelines in the operator's system is qualified in accordance with this section.

Ferrellgas failed to comply with the requirements set forth in § 192.285(d), by not establishing an effective method to determine that each person making joints in plastic pipelines within the operator's systems was qualified in accordance with this section. Specifically, Ferrellgas failed to re-qualify its personnel under an applicable procedure once each calendar year at intervals not exceeding 15 months, in accordance with § 192.285(c).

The Ferrellgas Site-Specific O&M Manual (for the Stuart service center) listed eight employees as qualified for plastic piping. During the inspection, the PHMSA inspector requested the plastic pipe joining qualification records for these eight individuals, dating back to calendar year 2018. Despite the request, Ferrellgas was unable to provide any evidence or documentation to show that these employees had been qualified or requalified since 2018. Moreover, Ferrellgas failed to produce evidence showing that it had established an effective method for determining that each person making joints in plastic pipelines in the operator's systems was qualified in accordance with this section.

6. § 192.465 External corrosion control: Monitoring.

(a) . . . .

(b) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Ferrellgas failed to comply with the requirements set forth in § 192.465(d) because the company failed to take prompt remedial actions to correct the deficiencies indicated by the cathodic protection monitoring of its Sailfish Point and the Villas LP-Gas distribution systems.

Sailfish Point

In April 2019, Ferrellgas identified low cathodic protection levels[7] on one of its six buried containers. The records contained remarks indicating "anodes starting to need replacement." However, Ferrellgas could not produce any work orders to demonstrate that it took any actions to address the low cathodic protection levels.

By March 2020, two of Ferrellgas' six buried containers had low cathodic protection levels, with records indicating "readings on lower end of scale may need to be replace anodes."

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

Again, Ferrellgas failed to provide any work orders to demonstrate that it took prompt remedial action to address the low cathodic protection levels.

By April 2021, Ferrellgas identified low cathodic protection levels on four of its six buried containers. Despite the records indicating the Corrective Measures Taken as "scheduled replacement of anode," there were no records to show the work was ever completed.

In November 2021, during a field visit by a PHMSA inspector, it was found that Ferrellgas still had four buried containers with low cathodic protection levels.

The Villas

In March 2020, Ferrellgas identified low cathodic protection levels on both buried containers. The records contained remarks indicating "anodes scheduled to be replaced."

By April 2021, Ferrellgas continued to have low cathodic protection levels on both containers. Despite the records indicating the Corrective Measures Taken as "scheduled to replace anode," there were no records to show the work was ever completed.

In September and November 2021, during PHMSA field visits, it was found that both buried containers still had low cathodic protection levels.

In April 2022, Ferrellgas informed PHMSA that it had replaced both containers, the regulator station and cathodic protection system at The Villas.

7. § 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 once 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.

Ferrellgas failed to comply with the requirements set forth in § 192.605(a) because the company failed to follow its manual of written procedures for conducting operations and maintenance activities.

Ferrellgas procedure, titled *Verification of Odorant [NFPA 58 (2004) 4.2] [192.625(f)]*, found on Page 29 of the July 2021 STS (Safety and Technical Support) Pipeline Manual, prescribes the steps and processes to demonstrate compliance with § 192.625(f). The referenced procedure calls for odorant readings to be taken "at a point distant from the storage tank." Ferrellgas records documenting verification of odorization, however, did not include the location where the odorant concentration was tested. When queried about the

testing location, Ferrellgas personnel informed the PHMSA inspector that the readings were taken at the tanks, not at a point "distant from the storage tank," as required.

8. § 192.616 Public awareness.

(a) . . . .

(b) Unless the operator transports gas as a primary activity, the operator of a master meter or petroleum gas system is not required to develop a public awareness program as prescribed in paragraphs (a) through (g) of this section. Instead the operator must develop and implement a written procedure to provide its customers public awareness messages twice annually. If the master meter or petroleum gas system is located on property the operator does not control, the operator must provide similar messages twice annually to persons controlling the property. The public awareness message must include:

(1) A description of the purpose and reliability of the pipeline;

(2) An overview of the hazards of the pipeline and prevention measures used;

(3) Information about damage prevention;

(4) How to recognize and respond to a leak; and

(5) How to get additional information.

Ferrellgas failed to comply with various requirements set forth in § 192.616(j). Specifically, Ferrellgas failed to distribute its Public Awareness messages twice annually to its customers and persons controlling the property where its LP-Gas distribution systems were located. Furthermore, Ferrellgas' Public Awareness messages did not include all of the information required by the regulation, as detailed below.

Public Awareness Messages

A review of Ferrellgas' 2017 and 2020 public awareness pamphlets showed that it did not include "a description of the purpose and reliability of the pipeline," as required by § 192.616(j)(1), and "an overview of the hazards of the pipeline and prevention measures used," as required by § 192.616(j)(2).

Public Awareness Message Distribution

Ferrellgas records of its public awareness distributions showed that the company only distributed its Public Awareness messages once per year instead of the required two times per year for the following LP-Gas distribution systems in the listed years:

- The Arbors in calendar years 2018, 2019, and 2020
- Islesworth in calendar year 2018
- Orchid Bay in calendar years 2016 and 2018
- Sailfish Point in calendar years 2016 and 2018
- Treasure Coast Mall in calendar years 2018
- The Villas in calendar years 2016, 2018, and 2019.

9. § 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.

Ferrellgas failed to comply with the requirements set forth in § 192.741(a) because the company did not equip each distribution system supplied by more than one district pressure regulating station with telemetering or recording pressure gauges to indicate the gas pressure in the district. Specifically, Ferrellgas did not have functioning telemetering or recording pressure gauges for two of its LP-Gas distribution systems: Islesworth and Orchid Bay.

During a field visit on November 3, 2021, it was found that the Islesworth and Orchid Bay systems did not have functioning telemetering or recording pressure gauges. The Islesworth system, which is supplied by two separate and distinct regulator stations, had a non-functional paper-style pressure recorder installed. Ferrellgas was unable to provide any records showing that they were monitoring the pressure history of the system or when the recorder stopped working. The Orchid Bay system, which is supplied by two separate and distinct regulator stations, had no telemetering or recording pressure gauges installed during the same field visit.

Ferrellgas received previous warnings regarding telemetering in its multiple feed systems. Specifically, on September 4, 2014, the Director of the Southern Region, Office of Pipeline Safety, issued a Warning Letter (CPF 2-2014-0016W) to Ferrellgas, which cited the company's lack of telemetering in three systems, including Islesworth and Orchid Bay. In addition, on April 29, 2019, the Director of the Central Region, Office of Pipeline Safety, issued a Notice Letter (CPF 3-2019-0001) to Ferrellgas, citing the company's failure to maintain records of pressure measurements for multiple feed systems in Wisconsin. Despite being specific to Wisconsin systems, the 2019 letter still warned Ferrellgas about the company's obligation to maintain proper records of the pressure measurements related to its telemetering or recording pressure gauges.

In April 2022, Ferrellgas informed the inspector that the company had ordered recording pressure gauges for these systems and would install them upon receipt.

10. § 192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) . . . .

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

Ferrellgas failed to comply with the requirements set forth in § 192.805 because the company did not follow its written qualification program. Specifically, Ferrellgas failed to follow several aspects of its written qualification plan including maintaining a list of qualified individuals, documenting the qualifications and evaluations of individuals on the

appropriate forms, and retaining copies of all qualification and evaluation forms for qualified individuals.

Ferrellgas' written procedures for Pipeline Operator Qualification (OQ Procedures) were in Section 4 of the Safety and Technical Support Pipeline Manual. In part the OQ Procedures require Ferrellgas to:

- Maintain a list of qualified individuals in the Jurisdictional System File.
- Document the qualifications and evaluations for all individuals who perform covered tasks on the appropriate *Evaluation Performance Test Form*. (Each covered task having its own form).
- Retain copies of each *Evaluation Performance Test Form* for employees for a minimum of five years after the employee leaves the company.

Ferrellgas did not follow its OQ procedures for evaluating and documenting the evaluation of its employees who perform covered tasks. The Ferrellgas Site-Specific O&M Manual for the Stuart service center identified eight qualified employees, but the Regional Safety Manager indicated that there were nine. Despite having up to nine employees who were qualified to perform covered tasks, Ferrellgas was unable to produce any Evaluation Performance Test Forms for any of the employees. Had the company followed its written OQ procedures, it would have had one form per employee per covered task for all current qualifications the employees held and additional forms for any previous qualifications that the employees held.

11. § 192.1007 What are the required elements of an integrity management plan?

(a) . . . .

(b) Periodic Evaluation and Improvement. An operator must re-evaluate threats and risks on its entire pipeline and consider the relevance of threats in one location to other areas. Each operator must determine the appropriate period for conducting complete program evaluations based on the complexity of its system and changes in factors affecting the risk of failure. An operator must conduct a complete program re-evaluation at least every five years. The operator must consider the results of the performance monitoring in these evaluations.

Ferrellgas failed to comply with the requirements set forth in § 192.1007(f) because the company didn't conduct a complete program re-evaluation that considered results of its performance monitoring at least every five years. Specifically, Ferrellgas neglected to conduct a full program re-evaluation of its distribution integrity management program (DIMP) plans for The Arbors, Orchid Bay, and Islesworth LP-Gas distribution systems.

During PHMSA’s inspection, Ferrellgas personnel provided DIMP plans for the above-referenced systems dated February 2013 and confirmed them as current. Ferrellgas, however, was required to complete a full program re-evaluation by February 2018. In response to PHMSA's finding, Ferrellgas reevaluated its program and completed a new DIMP plan in April 2022, over four years after it was due.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $257,664 per violation per day the violation persists, up to a maximum of $2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed $239,142 per violation per day the violation persists, up to a maximum of $2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed $225,134 per violation per day the violation persists, up to a maximum of $2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed $222,504 per violation per day the violation persists, up to a maximum of $2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not 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. After reviewing the circumstances and supporting documentation related to the probable violations outlined above, we recommend that your company be preliminarily assessed a civil penalty of $ 63,900. The proposed penalty amounts for each violation are outlined in the table below.

Item Number	Penalty
6	$30,100
9	$33,800

Proposed Compliance Order

With respect to items 1, 2, 4, and 6, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Ferrellgas, L.P. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

After reviewing the circumstances and supporting documents related to items 3, 5, 7, 8, 10, and 11, we have decided not to take additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct the identified items. Failure to do so may result in further enforcement action.

Response to this Notice

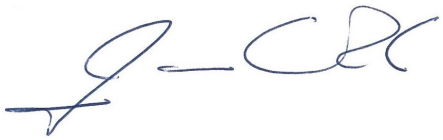
Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be made publicly available. If you believe that 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 2-2023-013-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



James A. Urisko
Director, Southern Region, Office of Pipeline Safety
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 a Compliance Order to Ferrellgas, L.P. ("Ferrellgas") incorporating the following remedial requirements to ensure Ferrellgas' compliance with the pipeline safety regulations:

1. Regarding Item 1 of the Notice concerning Ferrellgas' submission of incomplete and inaccurate annual reports, including misreported service line data, leaks eliminated with no reported data, and inaccurate excavation ticket numbers, Ferrellgas must undertake the following actions:

    1.1. Accurately determine the total number of service lines, both active and inactive, within the company's jurisdictional systems and integrating the verified data into all parts of the company's safety programs. This will involve:

        1.1.1. Reviewing the company's records to determine the size and location of all installed service lines and determining whether each line is active or inactive.

        1.1.2. Conduct a physical survey of all jurisdictional service lines (active and inactive) to verify and supplement records. For inactive service lines, the survey must also confirm gas flow was properly terminated, note any remaining equipment, and check for hazards.

        1.1.3. Determining the length of time each inactive service line has been inactive.

        1.1.4. Updating records and maps to reflect the status of all service lines.

        1.1.5. Integrating the verified information into Ferrellgas' safety programs. At a minimum, Ferrellgas should make the revised maps and records available to personnel involved in damage prevention activities and ensure properties with mains or service lines (active and inactive) are included in public awareness communications.

    1.2. Develop a system to track leak reports and their resolutions on the company's jurisdictional pipeline systems. This system should include service orders, the classification of leaks as hazardous or non-hazardous, the apparent cause of the leak, and a documented review by a supervisor. The system must be separate from non-jurisdictional customers or designed in a way that allows for easy retrieval of data for the jurisdictional systems. Additionally, the system should allow Ferrellgas to collect the necessary data for its Annual Reports, DIMP plans, and future PHMSA pipeline safety inspections.

    1.3. Develop a system to track the excavation tickets the company receives on its jurisdictional pipeline systems so that the company can accurately report that data on its Annual Reports.

1.4. Review the company's Florida 'Annual Report for Calendar Year 2022' and make any necessary revisions to reflect the correct number of total service lines (both active and inactive), service line sizes, total and hazardous leaks (including their causes), and number of excavation tickets on the jurisdictional pipeline systems in Florida.

1.5. Complete all items under PCO Item 1 within 90 days of receipt of the Final Order.

1.6. Submit documentation for PCO Item 1 within 120 days of receipt of the Final Order. The documentation must:

1.6.1. Provide a listing of properties with inactive service lines identified in PCO Item 1.1. For each property, indicate how long the service line has been inactive and whether there is any prospect of it being returned to service. Also, include whether any portion of the service line has an aboveground stub left in place, and whether any stubs are marked with the operator's name and phone number.

1.6.2. Confirm that Ferrellgas has included information about its inactive service lines in its maps and records, and explain how the information was integrated into its safety programs, specifically the Damage Prevention and Public Awareness programs.

1.6.3. Provide a description of the system developed to track leak reports on jurisdictional systems and their resolutions.

1.6.4. Provide a description of the system developed to track excavation tickets for jurisdictional systems.

1.6.5. State whether any revisions or amendments were made to the Florida 'Annual Report for Calendar Year 2022.' If changes were made, provide details describing the revisions.

2. In regard to Item 2 of the Notice concerning Ferrellgas not adhering to NFPA 58 requirement that nameplates on buried containers remain attached and visible, Ferrellgas must:

2.1. Conduct a survey of all buried containers that are part of Ferrellgas' jurisdictional systems in order to evaluate whether each container has a visible, attached nameplate and ensure that the data on the nameplate can still be reliably read.

2.2. Stop filling containers that do not have attached, visible nameplates or whose nameplate data cannot be reliably read.

2.3. For any container found without an attached, visible nameplate or with a nameplate that has unreadable data, Ferrellgas must make plans to remove the container from service or abandon it in place. Ferrellgas may delay the removal from service or in-place abandonment until the volume of liquefied petroleum gas in the container is

reduced to a sufficiently low level so as to minimize the amount that needs to be withdrawn or flared to the atmosphere. During this time, Ferrellgas must continue to maintain the container in accordance with Part 192, including ensuring that the container has adequate levels of cathodic protection.

2.4. Complete all items under PCO Item 2 within 30 days of receipt of the Final Order.

2.5. Within 45 days of receiving the Final Order, Ferrellgas must provide a comprehensive status update on the actions taken with respect to PCO Item 2. The status report should include a list of all containers and their nameplate status as found during the survey. For any containers without visible, attached, and readable nameplates, please indicate how Ferrellgas remediated the condition. This may include locating an attached, readable nameplate and making it visible, stopping filling with the expectation of abandoning once the LP-Gas levels drop, disconnecting and abandoning the container in place, removing and/or replacing the container with a container meeting the nameplate requirement, or other methods. For any replacement containers or containers whose nameplate was located, please provide basic information from the nameplate such as the name and address of the container supplier or trade name of the container, water capacity of the container in pounds or U.S. gallons, year of manufacture, and manufacturer's serial number.

3. In regard to Item 4 of the Notice concerning Ferrellgas not adhering to NFPA 58 requirements to install the point of discharge from the pressure relief devices on regulating equipment at a proper distance from ignition sources, Ferrellgas must:

3.1. Confirm each regulator point of discharge to ensure that the minimum separation distances specified by NFPA 58 (2004) §§ 6.7.4.5 and 6.7.4.6 are met.

3.2. Make a list of all locations which do not meet the minimum distance requirements.

3.3. Remediate all locations not meeting the minimum distance requirements by properly venting the regulators at the distances specified by NFPA 58 (2004) §§ 6.7.4.5 and 6.7.4.6, using venting materials listed in NFPA 58 (2004) § 5.7.5.1.

3.4. Complete all items under PCO Item 3 within 90 days of receipt of the Final Order.

3.5. Submit documentation for PCO Item 3 within 120 days of receipt of the Final Order. The documentation must include the list, required by PCO Item 3.2, of all locations which did not meet the minimum distance requirements and include the date that each location was remediated.

4. In regard to Item 6 of the Notice pertaining to Ferrellgas not taking prompt remedial actions to correct deficiencies indicated by cathodic protection monitoring, Ferrellgas must:

4.1. Perform close interval surveys over and around Ferrellgas' jurisdictional buried containers and evaluate whether each container has adequate levels of cathodic

protection. In this instance, a close interval survey means taking cathodic protection readings in a grid with spacing no more than three (3) apart over the entire area of the buried container. Make a record of the results for each container. This may be done through use of a third party specializing in corrosion control and cathodic protection.

4.2. Identify all containers needing prompt remedial action, (i.e. those containers with at least one low cathodic protection level[8] anywhere within the gridded close interval survey area).

4.3. For all containers with low cathodic protection potentials: Restore adequate cathodic protection levels through compliance with one or more of the applicable criteria contained in appendix D of Part 192.Alternatively, Ferrellgas may disconnect it from the system and remove the container from service or abandon it in place.

4.4. Complete all items under PCO Item 4 within 90 days of receipt of the Final Order.

4.5. Submit documentation for PCO Item 4 within 120 days of receipt of the Final Order. The documentation must include the survey of each container required in PCO Item 4.1, a list of all buried containers identified which had at least one survey point that did not meet the minimum cathodic protection criteria as required in PCO Item 2, and the date and method of remediation , for each container requiring remediation, as required by PCO Item 4.3.

5. It is requested that Ferrellgas, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the appropriate authority, as outlined in PCO Item 6. The cost documentation should 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.

6. All submissions or correspondence shall be addressed and sent to the Director, PHMSA Southern Region, Office of Pipeline Safety.

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[8] The criteria for cathodic protection are contained in Appendix D of 49 CFR Part 192. The specific criterion referenced in this letter is a negative (cathodic) voltage of at least 850 mV with reference to a saturated copper-copper sulfate half-cell. Any reading less negative than -850 mV is considered low. For example, a reading of -800 mV would be considered low because it is less negative than the -850 mV threshold.