U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

230 Peachtree Street N.W.
Suite 2100
Atlanta, GA 30303

WARNING LETTER

VIA ELECTRONIC MAIL TO: Michael.Sharp@amerigas.com; pamela.cannon@amerigas.com; chad.krouse@amerigas.com

December 4, 2025

Michael Sharp
Chief Executive Officer
AmeriGas Propane, L.P.
500 North Gulph Road
King of Prussia, PA 19406

CPF 2-2025-001-WL

Dear Mr. Sharp:

On February 5 to 9, February 26 to March 1, and April 2 to 5, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted inspections of AmeriGas's liquefied petroleum gas (LPG) distribution systems in the Palmetto District (Palmetto, Florida) and Tampa District (Tampa, Florida). The inspections included a review of procedures, examination of records, and field verification of compliance with the applicable pipeline safety regulations. Additional records were submitted in response to PHMSA's requests, and follow-up videoconferences were held on January 14 and June 23, 2025, to review documentation and discuss the status of open items.

As a result of the inspections, it is alleged that AmeriGas 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. § 192.465 External corrosion control: Monitoring and remediation.

(a) . . . .

(d) Each operator must promptly correct any deficiencies indicated by the inspection and testing required by paragraphs (a) through (c) of this section. …[1]

AmeriGas failed to comply with 49 CFR § 192.465(d) because it did not promptly correct cathodic protection (CP) deficiencies identified during periodic monitoring. AmeriGas records showed sustained low[2] CP readings across multiple monitoring periods in Tampa District systems, but the company failed to promptly correct the deficiencies.

Avery Oaks — CP surveys in May 2020 and August 2021 showed that Tanks 1 and 2 recorded low pipe-to-soil potentials less negative than the -0.85 V criterion, with survey remarks in both years recommending additional anodes. The low pipe-to-soil potentials in two consecutive years demonstrate that AmeriGas failed to promptly correct the deficiencies. Later surveys showed that CP levels at the tanks were restored.

Creekside — CP surveys in July 2021, June 2022, and June 2023 showed that all nine tanks in the system recorded low pipe-to-soil potentials less negative than the -0.85 V criterion in each of those years. The low pipe-to-soil potentials in three consecutive years demonstrate that AmeriGas failed to promptly correct the deficiencies. In January 2024, AmeriGas removed five of the nine underground containers and installed two new ones, leaving six tanks in service. A PHMSA field inspection in February 2024 confirmed that the six tanks had adequate CP.

Keystone Shores — CP survey in March 2022 and March 2023 showed that all three tanks in the system recorded low pipe-to-soil potentials less negative than the -0.85 V criterion in both years. The low pipe-to-soil potentials in two consecutive years demonstrate that AmeriGas failed to promptly correct the deficiencies. A survey dated January 22, 2024, showed improved CP levels on all three tanks; however, some low readings were still recorded. A subsequent survey dated February 1, 2024, showed that all three tanks had adequate CP.

For these systems, CP levels remained below the required threshold across multiple years. Although later surveys showed that AmeriGas failed to promptly correct the deficiencies, as required by 49 CFR § 192.465(d).

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1 The full text of § 192.465(d) includes additional requirements specific to onshore transmission pipelines which are not relevant to this enforcement matter.

2 Appendix D to 49 CFR Part 192 provides several criteria for demonstrating adequate CP. AmeriGas used the -0.85 volt (V) (–850 millivolts (mV)) criterion. A 'low' reading is any value less negative than -0.85 V (e.g., -0.60 V, or -600 mV), which indicates inadequate protection. Even a single reading less negative than -0.85 V (-850 mV) on a buried container indicates the protection is inadequate.

2. **§ 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…[3]

AmeriGas failed to comply with 49 CFR § 192.605(a) because it did not follow its written procedures for managing inactive service lines. On January 4, 2022, during a leak repair, AmeriGas reinstated a polyethylene (PE) service line on Palomino Circle in the Mote Ranch system (Tampa District) that had been inactive since at least August 2019 (about 29 months). AmeriGas did not perform the required annual reviews, evaluate the line for future use, track it in a manner sufficient to ensure it was identified for review, or obtain the higher-level approvals required to retain jurisdictional equipment in place during inactivity, as required by its written procedures.

At the time the service line became inactive in August 2019, AmeriGas's Operating and Maintenance Manual included an Abandonment or Deactivation of Facilities section last revised on June 20, 2012. That procedure required annual reviews of inactive service lines at intervals not exceeding 15 months and abandonment at the main if no reasonable prospect of reuse remained.

On July 31, 2021, AmeriGas revised and retitled the section Abandonment of Facilities, Deactivation of Facilities, Discontinuance of Service or Equipment Left in Place. The revision retained the annual review and abandonment requirements and added a provision allowing jurisdictional equipment to remain in place, but only with written approvals from both the Region Director and the Division Pipeline Manager.

Both the 2012 and 2021 versions required AmeriGas to perform annual reviews of inactive service lines and determine whether abandonment was warranted. To carry out these requirements, AmeriGas needed to identify which lines were inactive and track them in a manner sufficient to ensure they were reviewed.

<u>Failure to Identify or Track the Inactive Line</u>

AmeriGas's procedures required inactive service lines to be identified and reviewed annually, with abandonment at the main if no reasonable prospect of reuse remained. Beginning July 31, 2021, the revised procedure also allowed inactive equipment to remain in place with higher-level approvals. To comply, AmeriGas needed to track which lines were inactive. PHMSA requested a list of inactive service lines and supporting documentation, but AmeriGas provided neither. The Palomino Circle service line—known to have been inactive since at least August 8, 2019—was never tracked in a manner that would have allowed the required reviews or decisions under either version of the procedure.

[3] The full text of § 192.605(a) includes additional requirements specific to transmission lines which are not relevant to this enforcement matter.

Failure to Conduct Annual Reviews of Inactive Line Status

Both the 2012 and 2021 procedures required AmeriGas to review the status of inactive service lines annually, at intervals not exceeding 15 months. PHMSA requested documentation of such reviews. AmeriGas provided none, and no records showed that the Palomino Circle service line was reviewed at any point from August 2019 through the April 2024 inspection.

Failure to Obtain Required Approvals

Both the June 20, 2012 and July 31, 2021 procedures required AmeriGas to abandon inactive service lines at the main if no reasonable prospect of reuse remained. The July 31, 2021 revision also allowed jurisdictional equipment to remain in place, but only with written approvals from both the Region Director and the Division Pipeline Manager.

The Palomino Circle service line had been inactive for more than two years when it was reinstated on January 4, 2022, after the July 31, 2021 procedure took effect. AmeriGas provided no documentation showing that it obtained the required approvals before reconnecting the line.

Following reinstatement, the line remained inactive. In November 2024 AmeriGas reported plans to abandon it, but in June 2025 the company stated a resident expressed interest in retaining it. Such a decision could have been acceptable under the 2021 procedure only if the required approvals had been obtained, but no such documentation was provided.

In sum, AmeriGas reinstated a service line that had been inactive for more than two years without identifying it as inactive, conducting the required annual reviews, or obtaining required approvals prior to reinstating the service line. This sequence of events demonstrates multiple failures to follow the written procedures AmeriGas established for managing inactive service lines.

3. **§ 192.615 Emergency plans.**

(a) . . . .

(c) Each operator must establish and maintain liaison with the appropriate public safety answering point(i.e., 9-1-1 emergency call center) where direct access to a 9-1-1 emergency call center is available from the location of the pipeline, as well as fire, police, and other public officials, to:

(1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;

(2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;

(3) Identify the types of gas pipeline emergencies of which the operator notifies the officials; and

(4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.

AmeriGas failed to comply with 49 CFR § 192.615(c) because it did not establish and maintain liaison with local emergency response officials in the Palmetto District. For calendar years 2021, 2022, and 2023, AmeriGas had no documented contact with Manatee County fire or emergency response agencies. Company personnel indicated that meetings "may have occurred," but no evidence was provided of outreach, coordination, or planning with the agencies responsible for pipeline emergency response.

Without conducting liaison, AmeriGas could not ensure that public officials were familiar with its capabilities, aware of the types of pipeline emergencies, or prepared to coordinate mutual assistance. By failing to perform these required liaison activities, AmeriGas did not comply with § 192.615(c).

4. § 192.625 Odorization of gas.

(a) . . . .

(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.…[4]

AmeriGas failed to comply with 49 CFR § 192.625(f) because it did not 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.

<u>Mote Ranch system (Palmetto District)</u> — PHMSA requested odorization sampling records, but AmeriGas provided none for the period November 15, 2021, through August 17, 2023, a gap of about 21 months. The absence of records demonstrates that periodic sampling was not performed or documented during this time, as required by § 192.625(f).

<u>Stone Lake Ranch system (Tampa District)</u>, On June 13, 2023, AmeriGas documented odorization verification on a "Sniff Test Report" instead of the "Gas Odorization Test Report" required by its procedures. The Sniff Test Report lacked fields necessary to demonstrate that (1) an instrument was used, and (2) the test measured the percentage of gas in air at which odor becomes readily detectable. Without those elements, AmeriGas did not demonstrate that the required sampling occurred.

By failing to perform odorization sampling as required, AmeriGas did not comply with § 192.625(f).

5. § 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it is:

[4] The full text of § 192.625(f) includes additional requirements specific to master meters, which are not relevant to this enforcement matter.

(1) In good mechanical condition;

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

(3) Set to control or relieve at the correct pressure consistent with the pressure limits of § 192.201; and

(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

AmeriGas failed to comply with 49 CFR § 192.739(a) because it did not inspect and test each required regulator and pressure-limiting device at the prescribed intervals. In several systems, entire runs[5] or individual pieces of equipment were omitted from the inspections, leaving portions of the stations unverified for proper operation and overpressure protection.

Darby Lake system — Records for March 2021, March 2022, and May 2023 documented only one run of regulators and did not include the secondary (maintenance) leg. By omitting the inspection and testing of the maintenance leg, AmeriGas did not demonstrate that all required equipment was inspected at the intervals required by § 192.739(a).

Eagle Watch system — The May 2021 record documented only the downstream regulator and omitted the upstream regulator in series. Without inspection of both regulators, AmeriGas did not demonstrate that the station as a whole was in good mechanical condition and providing adequate overpressure protection.

Keystone Shores system — Records for March 2021, March 2022, and March 2023 documented only one run of regulators and omitted the secondary (maintenance) leg. The incomplete inspections did not confirm that all installed runs were functional and ready for use, as required.

Orange Blossom Creek Phase 1 system — AmeriGas did not provide any regulator station inspection record for calendar year 2022. The last record was June 2021 and the next was March 2023, exceeding the 15-month maximum interval.

Stone Lake Ranch system — AmeriGas did not provide regulator station inspection records for calendar years 2020 or 2021. The last available record was July 2019, with the next dated May 2022, resulting in no documented inspections for two consecutive years.

Because AmeriGas failed to inspect and test all required regulators and pressure-limiting devices—including entire runs of equipment—and did not perform inspections at the prescribed intervals, it did not demonstrate that its regulator stations were in good

[5] A "run" is two or more pressure control devices arranged in series. Regulator stations may also include parallel runs, which may operate concurrently to share load or remain out of service as a backup. Under § 192.739(a), each regulator and pressure-limiting device must be inspected and tested at the required intervals, and this requirement applies to all runs of equipment, whether operated in parallel or maintained as a backup, to ensure they remain functional and ready for service.

mechanical condition, set to relieve at the correct pressure, and adequately protected from failure. By omitting these required inspections and intervals, AmeriGas did not comply with § 192.739(a).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $272,926 per violation per day the violation persists, up to a maximum of $2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed $266,015 per violation per day the violation persists, up to a maximum of $2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not 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 $2,391,142 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.

We have reviewed the circumstances and supporting documentation 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 to the extent practicable and to take appropriate measures to prevent recurrence. Failure to do so will result in AmeriGas Propane, L.P., 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 2-2025-001-WL.** 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, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration