

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 4, 2009

Mr. Thomas Young
The Gas Company
P.O. Box 3000
Honolulu, HI 96802

CPF 5-2009-0017W

Dear Mr. Young:

On October 26 to 31, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your propane gas distribution system in Honolulu and Hilo, Hawaii.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§192.177 Additional provisions for bottle-type holders.**
 - (a) Each bottle-type holder must be-
 - (1) **Located on a site entirely surrounded by fencing that prevents access by unauthorized persons and with minimum clearance from the fence as follows:**

Maximum allowable operating pressure	Minimum clearance feet (meters)
Less than 1,000 p.s.i. (7 MPa) gage.....	25 (7.6)
1,000 p.s.i. (7 MPa) gage or more.....	100 (31)

The propane gas holder located at the Puainako Center in Hilo, Hawaii lacked a fence to prevent unauthorized entry. A photograph of the unfenced bottle holder is attached. Federal regulations require that a bottle type holder operating at less than 1000 PSI be surrounded by a fence located at least 25 feet from the holder.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 item(s) identified in this letter. Failure to do so will result in The Gas 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 5-2009-0017W**. 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,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Photograph of the Unfenced Bottle Holder

cc: PHP-60 Compliance Registry
PHP-500 P. Nguyen (#122341)

