



November 2, 2019

VIA CERTIFIED MAIL

Mr. Dustin Hubbard
Director, Office of Pipeline Safety
PHMSA Western Region
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: CPF 5-2019-0016

Dear Mr. Hubbard:

AmeriGas Propane, LP, received the Notice of Probable Violations letter directed to James Palkovic, VP Operations – West, dated May 16, 2019, which indicated apparent deficiencies within the AmeriGas propane distribution systems on Maui, Hawaii and Oahu.

AmeriGas is committed to the safety of our employees, customers, and neighbors and compliance with Federal regulations. AmeriGas takes PHMSA's concerns seriously. While AmeriGas does not agree that the circumstances identified by PHMSA constitute actual violations, in the interest of cooperation with PHMSA, here we are providing documentation showing the steps we took to address the alleged violations, as described below (see enclosed flash drive for documents and photographs by District).

PROPOSED COMPLIANCE ORDER

1. 192.357 Customer meters and regulators, installation

a) Each meter and each regulator must be installed so as to minimize anticipated stresses upon the connecting piping and the meter.

1. In regard to Item Number 1 of the Notice pertaining to not properly supporting gas meters by mounting bracket or by pipe supports, AmeriGas must:

a) Follow AmeriGas' O&M Manual – Meters, Regulators, and Service Lines.

- b) Inspect gas meters on Maui, Kona, and Oahu, Hawaii (Districts) for proper supports.
- c) All gas meters that do not have proper support must be corrected and must have the proper mounting brackets or pipe supports. Mounting bracket that will be installed must not have a metal to metal contact with the gas meter.
- d) Create a list of how many meters are there per customer in all Districts.
- e) Revise inspection form(s) to indicate or to include a checkbox to show that meters have been inspected for proper support.
- f) Remove the foreign corrugated plastic water line on top of the aboveground gas service pipe at Imua Mamalahoa Center (this system is in Kona. The system where the gas pipe ran underneath corrugated pipe is Tosei on Maui) or reroute the gas service pipe.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona have begun to follow the AmeriGas O&M Meters, Regulators, and Service Lines procedure. Each District has inspected pipeline meter sets for proper supports, and have installed supports where previously missing or inadequate. Here AmeriGas is providing documentation for the installation of meter supports, a list of meter customers by District, as well as the internal Atmospheric Corrosion and Patrolling forms which contain a check box for meters & supports. AmeriGas has also rerouted the gas service pipe at the Tosei system (Imua Mamalahoa Center is in Kona), and is providing documentation indicating the same.

2. 192.455 External corrosion control: Buried or submerged pipelines install after July 31, 1971.

- (a) Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:**
 - (1)...**
 - (2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.**

2. In regard to Item Number 2 of the Notice pertaining to not having cathodic protection system on all buried pipelines, AmeriGas must:

- a) Follow AmeriGas' O&M Manual – Corrosion Control.
- b) Inspect the pipeline system in all Districts to create a list of each pipeline system to show if the system has steel risers, anodeless risers, underground PE pipe or underground steel pipe.
- c) Install cathodic protection systems on all underground steel pipe and steel risers.
- d) Re-train and re-qualify all personnel or contractors who will be installing and testing cathodic protection systems.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona have begun to follow the AmeriGas O&M Corrosion Control procedure. AmeriGas has created a list of each system service risers and underground pipe to identify material type. Districts have installed cathodic protection on underground metallic systems where previously missing or inadequate, as indicated by the included documentation. Company personnel have been retrained and qualified on installing and testing cathodic protection systems.

3. 192.481 Atmospheric corrosion control: Monitoring.

(a)...

(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by 192.479.

3. In regard to Item Number 3 of the Notice pertaining to not providing protection against atmospheric corrosion found during an inspection, AmeriGas must:

a) Follow AmeriGas' O&M Manual – Corrosion Control.

b) Reevaluate and inspect the pipeline system in all Districts for atmospheric corrosion.

c) Correct or apply protection to all pipeline systems and containers that have atmospheric corrosion.

d) Inspect all gas meters in all Districts that are in contact with the ground and correct any deficiencies. Gas meters must not contact the ground to ensure proper inspection of the bottom surface of the meters for atmospheric corrosion

e) Replace all severely corroded aboveground pipe and components at Maui Coast Hotel system and any other pipeline systems in the Districts that need replacement.

f) Re-train and re-qualify all personnel or contractors who will be inspecting, installing new pipe, applying new coats and any other covered tasks for the corrective actions.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona have begun to follow the AmeriGas O&M Corrosion Control procedure. District locations have inspected and applied protection to tanks and pipelines deemed to have inadequate coatings. Districts have inspected meter installations to ensure there is adequate separation between meter bottoms and the ground. Corroded aboveground pipe and components have been replaced at the Maui Coast Hotel. Company personnel have been retrained and qualified on inspecting, installing new pipe, applying new coats and any other covered tasks for the corrective actions.

4. 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.

4. In regard to Item Number 4 of the Notice pertaining to not following the AmeriGas procedures for Emergency Plan, Odorization of Gas, Abandonment of Facilities and Damage Prevention Program, AmeriGas must:

- a) Follow AmeriGas' O&M Manual – Emergency Plan.
- b) For all Districts, schedule and participate in emergency response drills and deployment exercises with local emergency responders to establish unified incident command roles, operating procedures and preparedness for various emergency scenarios where appropriate.
- c) Revise your Emergency Plan to include how often AmeriGas will participate or conduct actual emergency response drills and deployment exercises.
- d) Follow AmeriGas' O&M Manual – Odorization of Gas, for testing of odorant level by using the testing methods/equipment described in Step 5 of the procedure.
- e) Train and qualify all personnel on the use of the gas odorization testing methods set forth in AmeriGas' O&M.
- f) Revise the odor test inspection form to indicate the odor test method/equipment used, date of calibration, amount of odorant detected, etc.
- g) Inspect the pipeline system in all Districts and document all inactive pipeline service and follow AmeriGas' O&M Manual - Abandonment of Facilities.
- h) Re-train and requalify all personnel that will be inspecting and abandoning inactive pipeline on AmeriGas' O&M Abandonment of Facilities procedure.
- i) Re-train and re-qualify all personnel regarding AmeriGas' O&M Damage Prevention Program and procedures.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona District employees have been retrained and have begun to follow the AmeriGas O&M Emergency Plan, Odorization of Gas (new), Abandonment of Facilities, and Damage Prevention procedures. Each District has scheduled and participated in training exercises with local emergency responders. AmeriGas has created a new Odor Concentration Level Testing procedure for the Hawaii Districts that includes a new record keeping form, and has secured the equipment necessary to perform this test. Each Hawaii District has inspected each

system and properly abandoned inactive services. Company personnel have been retrained and requalified on AmeriGas Abandonment of Facilities and Damage Prevention procedures.

5. 192.707 Line Markers for mains and transmission lines.

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

- (1) At each crossing of a public road or railroad; and,**
- (2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.**

5. In regard to Item Number 5 of the Notice pertaining to not having line markers along each side of an aboveground section of a main line in an area accessible to the public, AmeriGas must:

- a) Follow AmeriGas' O&M Manual – Damage Prevention Program.
- b) Inspect the pipeline systems in all Districts and install pipeline markers where needed.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona have begun to follow the AmeriGas O&M Damage Prevention procedure. Hawaii Districts have inspected pipeline systems and have installed pipeline markers where needed.

6. 192.723 Distribution systems: Leakage surveys.

(a)...

(b) 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 in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.**

6. In regard to Item Number 6 of the Notice pertaining to not conducting leakage surveys with leak detector equipment in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding, AmeriGas must:

- a) Follow AmeriGas' O&M Manual – Leak Surveys.

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- b) Conduct leak surveys of all pipeline systems in the Maui District either by pressure test or by using leak survey equipment.
- c) Train and qualify all personnel that will be conducting leak survey using an instrument.

RESPONSE:

Oahu Gas Service, Maui Gas Service, and AmeriGas Kona have begun to follow the AmeriGas O&M Leak Survey procedure. The Maui Gas Service District has completed leak surveys of all pipeline systems they service by means of a pressure test or, for aboveground only piping by use of a CGI and leak detector solution. Personnel that conduct leak surveys have been requalified on using an instrument for this test. Here AmeriGas is providing documentation of the Maui system leak surveys and retraining records.

Thank you for your consideration in this matter. Please do not hesitate to contact me at 215-970-4159 or by email at david.hedrick@amerigas.com if you or your staff have any questions or require additional information.

Thank you,

David Hedrick

David Hedrick
Pipeline Safety Manager
AmeriGas Propane, LP

Cc: C. Serna, AmeriGas Area 55 Director
N. Chatriand, AmeriGas, West Region Safety Director
L. Whitmore, AmeriGas Pipeline Safety Manager
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