



America's Propane Company

July 24, 2023

VIA ELECTRONIC MAIL: dustin.hubbard@dot.gov

Mr. Dustin Hubbard
Director, Office of Pipeline Safety-Western Region
US Department of Transportation,
Pipeline and Hazardous Materials Safety Administration
12300 West Dakota Avenue, Suite 110, Lakewood, CO, 80228

**Re: NOTICE OF PROBABLE VIOLATION, PROPOSED CIVIL PENALTY
and PROPOSED COMPLIANCE ORDER, CPF 5-2023-029-NOPV**

Dear Mr. Hubbard:

This is AmeriGas Propane, L.P.'s ("AmeriGas") initial response to the Pipeline and Hazardous Materials Safety Administration's ("PHMSA") NOTICE OF PROBABLE VIOLATION, PROPOSED CIVIL PENALTY and PROPOSED COMPLIANCE ORDER, CPF 5-2023-029-NOPV ("NOPV"). The NOPV contained allegations of probable violations related to AmeriGas's liquefied petroleum gas distribution systems in Maui, Oahu and the Island of Hawaii, Hawaii identified during inspections conducted from November 7-17, 2022. AmeriGas takes PHMSA's concerns seriously and is committed to the safety of our employees, customers, and the general public.

As outlined and explained more fully herein, AmeriGas does not contest PHMSA's findings of probable violations 1, 3, 6, 7, 8, 11, 12, 13, 14, & 17; contests in part probable violations 9, 10, & 15; and contests in whole the findings of 2, 4, 5, 16, & 18.

AmeriGas appreciates PHMSA granting the 60-day Request for Extension as outlined in my July 6, 2023 letter. As such, it is our expectation to have fully remediated the applicable items in the Proposed Compliance Order ("PCO") by no later than September 5, 2023. These remedial activities will be photo documented and submitted to PHMSA within ten days of completion. Should further information supporting a position of contest be identified during the remedial activities where AmeriGas believes such remedial activities are not warranted or a violation condition did not exist, this information will be submitted as a supplemental response to PHMSA to facilitate further discussion.

PROBABLE VIOLATION 1:

1. § 192.195 Protection against accidental overpressuring.

(a) *General requirements.* Except as provided in § 192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure,

Mr. Dustin Hubbard

July 24, 2023

Page 2

must have pressure relieving or pressure limiting devices that meet the requirements of §§ 192.199 and 192.201.

AmeriGas failed to protect a customer gas meter on the “AAAAA Rent-A-Space” (Maui) system from over-pressuring. Photos taken during the November 2022 on-site inspection show that one of the three customer service meters (specifically the meter labeled “IA Ohana Taco”) lacked adequate pressure limiting devices to regulate the pressure to less than the meter’s maximum allowable operating pressure (MAOP). The customer meter was operated at the pipeline pressure (approximately 8 psi at the time of inspection), which is greater than the 5 psi MAOP that was clearly indicated on the meter’s nameplate. CFR 192.281(e)(3) and (4).

AMERIGAS RESPONSE:

AmeriGas does not contest the fact that at the time of the inspection the meter servicing IA Ohana Taco appeared to be operating at an inlet pressure in excess of the published 5 psi maximum allowable operating pressure. AmeriGas has completed the installation of a 2psi regulator ahead of the IA Ohana Taco vapor meter and provides the photo below evidencing the 2psi regulator installation. AmeriGas intends to replace the subject meter by September 5, 2023.



PROBABLE VIOLATION 2:

2. § 192.355 Customer meters and regulators: Protection from damage.

(a)

(b) *Service regulator vents and relief vents.* Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must –

(1)

(2) **Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building;**

AmeriGas failed to install service regulator vents at locations where gas from the vent can escape freely into the atmosphere. More specifically, NFPA 58 Section 6.7.4.6 (incorporated in § 192.11(b)) requires the discharge of a relief device (such as a service regulator vent) to “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.” Photos taken during the November 2022 site visit show a self-relieving service regulator located within 5 feet of the air intake of an emergency generator at the "Shops of Wailea" system.

AMERIGAS RESPONSE:

AmeriGas contests that the condition cited by PHMSA in violation of NFPA 58 section 6.7.4.6 existed at the Shops of Wailea and believes this probable violation is cited in error. The opening in question was not a mechanical intake but is used for natural ventilation. It is located above the point of discharge of the relief device on the second stage regulator and would therefore not require venting away. Although AmeriGas believes this installation to be compliant with NFPA 58, AmeriGas has completed the installation of a regulator vent extension to a point of 5 feet from the emergency generator and provides the photograph below showing the vent extension.



Our belief is based upon the following information. Mechanical ventilation is the intentional fan-driven flow of outdoor air into a building. Mechanical ventilation systems

Mr. Dustin Hubbard

July 24, 2023

Page 4

may include supply fans (which push outdoor air into a building), exhaust fans (which draw air out of a building and thereby cause equal ventilation flow into a building), or a combination of both. Mechanical ventilation is often provided by equipment that is also used to heat and cool a space. The opening that exists in the generator housing identified by PHMSA is a natural ventilation opening and therefore would fall within NFPA 58 section 6.7.4.5, which states: “The point of discharge from the required pressure relief device on regulating equipment installed outside of buildings in fixed piping systems shall be located not less than 3 ft (1 m) horizontally away from any building opening **below the level of such discharge**, and not beneath any building unless this space is well ventilated to the outside and is not enclosed for more than 50 percent of its perimeter.” (emphasis added).

PHMSA has adopted the 2004 edition of NFPA 58. However, in the 2008 edition, NFPA provided clarifying text to section 6.7.4.5 housed in its new section 6.8.1.6 stating the intended limitation of scope to buildings and occupied structures. The language reads: “The point of discharge from the required pressure relief device on regulated equipment installed outside of buildings or occupiable structures in fixed piping systems shall be located not less than 3 ft (1 m) horizontally away from **any building or occupiable structure opening below the level of discharge**, and not beneath or inside any building or occupiable structure unless this space is not enclosed for more than 50 percent of its perimeter.” (emphasis added).

As a result, AmeriGas believes we are in compliance because this opening is above the point of discharge, is not a mechanical air intake, and is not present in a building or occupiable structure.

PROBABLE VIOLATION 3:

3. § 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.

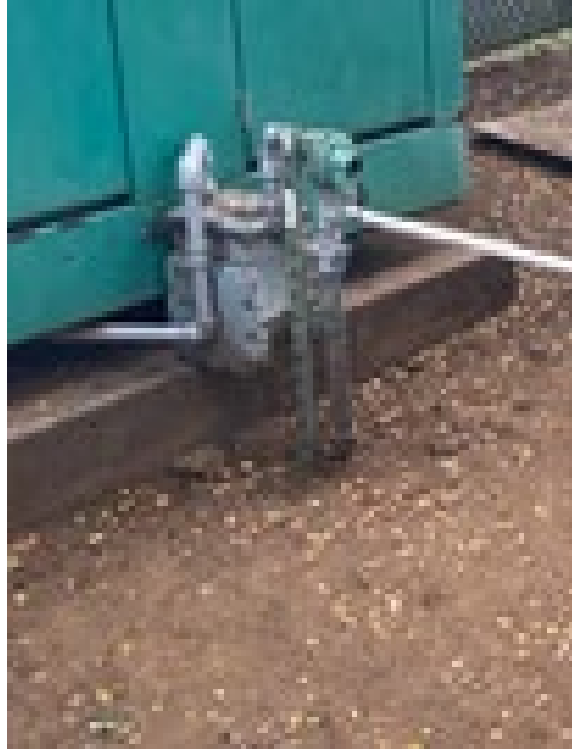
AmeriGas failed to adequately support service meters in a manner that minimized stresses on the service line piping. During the November 2022 on-site inspection, PHMSA observed and photographed meters installed in a way that put undue stress on the connected piping. One service meter at the "Shops of Wailea" (the emergency generator meter) was supported largely by the service line riser pipe and was only partially supported by a concrete pad. On the "Pearl Kai" system, one meter (the “Club Chance” meter) was supported directly by the service line.

This violation is a repeat of violations found in CPF # 5-2019-0016, Item # 1.

AMERIGAS RESPONSE:

AmeriGas does not contest this allegation and has completed the installation of additional support for the meter located at the emergency generator and provides the photo below

evidencing the meter support at the Shops of Wailea. The meter support for Club Chance at the Pearl Kai system is intended to be installed by September 5, 2023.



PROBABLE VIOLATION 4:

4. § 192.453 General.

The corrosion control procedures required by § 192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

AmeriGas failed to ensure that the operation and maintenance of their cathodic protection systems were carried out by a person qualified in corrosion control methods. During the November 2022 site visits, PHMSA asked operator personnel (specifically the operator's technicians of record of cathodic protection monitoring for Maui and Oahu) to describe and demonstrate how they collect pipe-to-soil readings to evaluate the level of cathodic protection. Based on the interviews and demonstrations, it was evident that AmeriGas failed to use adequately trained and qualified personnel to collect pipe-to-soil measurements. The operator's technicians on both Oahu and Maui were unaware of how to maintain the equipment used to collect pipe-to-soil potentials. While the individuals each had two copper-copper sulfate half-cells used to measure cathodic protection level, those individuals were not aware that one half-cell is to be kept out of the field and used as a calibration standard according to the manufacturer's literature and widely accepted

Mr. Dustin Hubbard

July 24, 2023

Page 6

industry practices. Both cells had been used in the field and could not be used as a calibration standard. The individuals interviewed stated that they believed the “field” half-cells had never been checked against an uncontaminated “lab” half-cell.

In addition, the technician on Oahu collected pipe-to-soil measurements by placing the copper-copper sulfate half cells in soils immediately above the magnesium spike anodes used to provide cathodic protection. This practice results in inaccurate pipe-to-soil measurement due to the proximity of the anode. The operator was not trained to take pipe-to-soil measurements at locations that would produce accurate potentials.

AMERIGAS RESPONSE:

AmeriGas contests the allegation that its employees were not properly trained and qualified to perform cathodic testing. Notably, AmeriGas is unaware of any published standard or regulation mandating that one half-cell remains unused or uncontaminated. As outlined in our O&M procedures, AmeriGas may utilize two half cells during a single evaluation for confirmatory purposes when warranted, but this is not listed as an expectation.

All operator qualified employees who performed corrosion control testing on the Hawaiian Islands underwent qualification training within the five years prior to the November 2022 site visits. I have been informed that PHMSA reviewed the applicable training records while performing its inspection. During the employee qualification process, all employees demonstrated competency through the performance of a skills assessment and were able to properly perform the tasks identified within the AmeriGas O&M. Notwithstanding this and based on the findings identified by PHMSA during the site visit, AmeriGas trained additional employees on the subject of corrosion control during the week of December 5, 2022. These additional records are supplemented at the end of this response.

Additionally, AmeriGas intends to provide refresher training on the subject of corrosion control for the operator qualified technicians interviewed by PHMSA at the time of the inspection. This refresher training will be completed prior to September 5, 2023.

PROBABLE VIOLATION 5:

5. § 192.463 External corrosion control: Cathodic protection.

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

AmeriGas failed to provide a level of cathodic protection that complied with one or more of the applicable criteria contained in Appendix D of part 192 for the "Pearl Kai" (Oahu) and "AAAAA Rent-A-Space" (Maui) systems. During the November 2022 on-site inspections, PHMSA observed and photographed the operator measuring pipe-to-soil potentials less negative than -850mV for both systems. The systems use direct-bonded anodes at the tank risers for cathodic protection. For the "Pearl Kai" system, the operator measured potentials at a riser and found potentials of approximately -418mV. Records show that this riser was electrically isolated from the anode at the tank riser, and the measurements of cathodic protection potentials show that it was not receiving cathodic protection from the anode at the tank riser. For the "AAAAA Rent-A-Space" system, the operator measured potentials of approximately -600mV. The measurement was collected directly over the buried pipe at a location approximately three to four feet from the anode, which is mechanically bonded to the pipe riser. Although previously recorded cathodic protection measurements at this site were more negative than -850mV, the operator's practice of using direct-bonded anodes and measuring the potentials in soils near and directly above the anodes resulted in incorrect measurements. The measured potentials appeared more negative than they would be using correct measurement practices. To ensure accurate measurements are obtained, the half-cell should be placed on soil directly over the pipeline at a location remote from the galvanic anode.

AMERIGAS RESPONSE:

AmeriGas contests the allegation that employees were not properly trained and qualified to perform the tasks identified by PHMSA and is without sufficient information to speak to the current degree of corrosion present on the identified piping.

All operator qualified employees who performed corrosion control testing on the Hawaiian Islands underwent qualification training within the five years prior to the November 2022 site visits. I have been informed that PHMSA reviewed the applicable training records while performing its inspection. During this qualification process, all employees demonstrated competency through the performance of a skills assessment and were able to properly perform the tasks identified within the AmeriGas O&M. Notwithstanding this and based on the findings identified by PHMSA during the site visit, AmeriGas trained additional employees on the subject of corrosion control during the week of December 5, 2022. These additional records are supplemented at the end of this response.

Additionally, AmeriGas intends to provide refresher training on the subject of corrosion control for the operator qualified technicians interviewed by PHMSA at the time of the inspection. This refresher training will be completed prior to September 5, 2023.

As part of the Proposed Compliance Order, AmeriGas intends to uncover the piping in question, verify condition, and replace or move above ground as necessary. Additional cathodic protection will be added to return CP levels where needed to below -850mV. Notably, while under AmeriGas' O&M low cathodic protection readings are required to

be remediated within 12 months, AmeriGas will complete this action by September 5, 2023.

PROBABLE VIOLATION 6:

6. § 192.465 External corrosion control: Monitoring.

(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

AmeriGas failed to test each pipeline under cathodic protection each calendar year at intervals not to exceed 15 months for two of their systems:

- Coconut Grove (Maui) - Cathodic protection monitoring worksheets are dated 1/12/2022, 1/18/2020, and 1/19/2019. No cathodic protection testing was completed in 2021.
- Wapahu Shopping Center (Oahu) - The cathodic protection potentials at the service line risers had not been measured since 2018. Cathodic protection test records in 2018 showed that 2 service line risers and 1 tank riser were cathodically protected. Since then, the operator has only measured potentials on the tank riser, which is electrically isolated from the service risers by a polyethylene main.

Both systems were not systems for which annual testing would be impractical. In addition, the operator's procedures ("Operations and Maintenance Manual - Corrosion Control") required each system to be tested on an annual basis at intervals not to exceed 15 months, and they did not make claim to the exceptions to the annual testing requirements allowed for certain pipelines.

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that we were unable to locate the required documentation of cathodic survey testing of the Coconut Grove and Waipahu Shopping Center systems. Although our operations tracking system evidenced that tasks were performed as required, no physical records have been located.

All operator qualified employees who performed corrosion control testing on the Hawaiian Islands underwent qualification training within the five years prior to the

Mr. Dustin Hubbard

July 24, 2023

Page 9

November 2022 site visits. I have been informed that PHMSA reviewed the applicable training records while performing its inspection. During this qualification process, all employees demonstrated competency through the performance of a skills assessment and were able to properly perform the tasks identified within the AmeriGas O&M. Notwithstanding this and based on the findings identified by PHMSA during the site visit, AmeriGas trained additional employees on the subject of corrosion control during the week of December 5, 2022. These additional records are supplemented at the end of our response.

In addition to the actions taken to date, AmeriGas intends to provide additional refresher training on the subject of corrosion control for the operator qualified technicians interviewed by PHMSA at the time of the inspection. This refresher training will be completed prior to September 5, 2023.

AmeriGas further intends to conduct cathodic survey testing at the Coconut Grove and Waipahu Shopping Center systems at the frequencies stated in 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual.

PROBABLE VIOLATION 7:

7. § 192.467 External corrosion control: Electrical isolation.

(a) Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.

The "Pearl Kai" system lacked adequate isolation from its buried metallic support structures. The pipeline's riser is not an "anodeless" type riser; therefore must be cathodically protected, and to facilitate the application of cathodic protection, it must be isolated from other buried metallic structures. During the November 14, 2022, on-site inspection, the pipe was visibly shorted to two "uni-strut" type pipe supports that were in direct contact with the soil. In addition, the pipe was shorted to an adjacent bridge girder (the isolation union used between the buried segment from the segment supported by the bridge girder was tested for isolation during the November 14, 2022 inspection and was not isolated (potentials on either side were substantially the same at approximately -375 millivolts).

AMERIGAS RESPONSE:

AmeriGas does not contest the findings as presented by PHMSA that at the time of the inspection the electrical isolation was not functioning properly. As previously stated herein, all operator qualified employees who performed corrosion control testing on the Hawaiian Islands underwent qualification training within the five years prior to the November 2022 site visits. I have been informed that PHMSA reviewed the applicable training records while performing its inspection. During this qualification process, all employees demonstrated competency through the performance of a skills assessment and

were able to properly perform the tasks identified within the AmeriGas O&M. Notwithstanding this and based on the findings identified by PHMSA during the site visit, AmeriGas trained additional employees on the subject of corrosion control during the week of December 5, 2022. These additional records are supplemented at the end of this response.

In addition to the actions taken to date, AmeriGas intends to provide additional refresher training on the subject of corrosion control for the operator qualified technicians interviewed by PHMSA at the time of the inspection. This refresher training will be completed prior to September 5, 2023.

As part of the Proposed Compliance Order, AmeriGas intends to repair the electrical isolation issue of concern through the installation of annodeless risers if not currently present in all cases.

PROBABLE VIOLATION 8:

8. § 192.481 Atmospheric corrosion control: Monitoring.

(a) Each operator must inspect and evaluate each pipeline or portion of the pipeline

that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Pipeline type:	Then the frequency of inspection is:
(1) Onshore other than a Service Line	At least once every 3 calendar years, but with intervals not exceeding 39 months.
(2) Onshore Service Line	At least once every 5 calendar years, but with intervals not exceeding 63 months, except as provided in paragraph (d) of this section.
(3) Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

AmeriGas failed complete atmospheric corrosion inspections at the required intervals for two of their systems:

- Coconut Grove (Maui) - The most recent documented atmospheric corrosion inspection was on 1/8/2018. There were none completed or documented since that time which exceeded the 39-month interval that is required for portions of the system other than service lines.
- Wahiawa Town Center (Oahu) - There were records for atmospheric corrosion inspections on 1/8/2014 and 7/28/2020, which exceeded 39 months.

Mr. Dustin Hubbard

July 24, 2023

Page 11

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that we were unable to locate the required documentation of atmospheric corrosion inspections of the Coconut Grove and Waipahu Town Center systems within a 39-month interval. Records were however presented showing the completion of an inspection at the Coconut Grove system on September 18, 2022 that were not referenced above. A copy of this record has been attached to the end of this response.

AmeriGas intends to conduct future Atmospheric Corrosion inspections at the Coconut Grove and Wahiawa Town Center jurisdictional systems at frequencies that are in accordance with 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual Corrosion Control procedure.

PROBABLE VIOLATION 9:

9. § 192.517 Records.

(a)

(b) Each operator must maintain a record of each test required by §§ 192.509, 192.511, and 192.513 for at least 5 years.

AmeriGas failed to complete their pressure testing worksheets with relevant details. The “Pipeline Test Report” pressure test record for several systems (for example, the Residences at Laule’s, Henry Street Landing, and Puna Kai Tank A) lacked relevant information such as test pressure, name of individual performing test, and date.

AMERIGAS RESPONSE:

AmeriGas contests this allegation in part as all but one record that has been referred to in this violation was not relevant to the inspection period. AmeriGas became the operator of the Residence at Laule’s jurisdictional system in April 2017, and the Henry Street Landing jurisdictional system in November 2016. As stated above in the Proposed Violation, “**... (b) Each operator must maintain a record of each test required by §§ 192.509, 192.511, and 192.513 for at least 5 years.**”

Based upon the in-service dates for these systems, retention of the subject pressure test reports for these two systems are not required and should not be utilized as a basis for violation. AmeriGas intends to complete future pressure testing worksheets with relevant information such as test pressure, name of individual performing test, and date for new systems that will be operated by AmeriGas on Hawaii.

PROBABLE VIOLATION 10:

10. § 192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following:

(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part. However, for steel pipe in pipelines being converted under § 192.14 or updated under subpart K of this part, if any variable necessary to determine the design pressure under the design formula (§ 192.105) is unknown, one of the following pressures is to be used as design pressure:

AmeriGas failed to operate several systems at pressures less than the pipeline's MAOP. The MAOP is limited by the weakest element of this system, and Subpart D prohibits the use of pipeline components at pressures greater than the pressure rating established by the manufacturer.² According to operator records, the systems' established MAOPs are 10 psi, which is the maximum allowable inlet pressure of the second-stage service regulators (Fisher R622-DFF with a labeled maximum inlet pressure of 10 psi). During the November 2022 on-site inspection, PHMSA observed and documented clock gauges showing the operating pressures of several systems operating at pressures greater than 10 psi:

- Shops of Waileau (Maui) - 14 psi
- Coconut Grove (Maui) - 12 psi
- Pukalani Terrance (Maui) 13 psi
- Ewa Point Marketplace (Oahu) - 13 psi
- Henry Street Landing (Hawaii) - 13 psi

This violation is a repeat of violations found in CPF # 2-2018-0002, Item # 6

AMERIGAS RESPONSE:

AmeriGas contests this allegation as it relates to the operating pressure identified by PHMSA on the Ewa Point Marketplace. Notably, a faulty psi gauge was discovered at the Ewa Point Marketplace jurisdictional system. After replacing the faulty gauge, the operating pressure was determined to be below the stated MAOP of 10 psi. We provide the following photographs to show the change of pressures with the gauge replacement.



Pre-Replacement

Post Replacement

For the remaining systems, we do not contest the findings and intend to reduce the operating pressures to a point below 10 psi at the Shops of Wailea, Coconut Grove, Pukalani Terrace and Henry Street Landing jurisdictional systems by September 5, 2023.

PROBABLE VIOLATION 11:

11. § 192.721 Distribution systems: Patrolling.

(a)

(b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled –

(1) In business districts, at intervals not exceeding 4 ½ months, but at least four times each calendar year;

AmeriGas failed to patrol their systems within business districts the required number of times per year and/or within the required time intervals:

- Maui Market (Maui) - 3 patrols were recorded in 2020.
- Manini Holdings/Brew Lot 12 (Hawaii) - 2 patrols were recorded in 2022, 3 patrols were recorded in 2021, none in 2020, and none in 2019. The system was commissioned in 2018.

Mr. Dustin Hubbard

July 24, 2023

Page 14

- Henry St. Landing (Hawaii) - 2 patrols were recorded in 2022, 3 patrols were recorded in 2021, 3 patrols were recorded in 2020, 1 patrol was recorded in 2019, and 2 patrols were recorded in 2018.
- Residences of Laulea (Hawaii) - One patrol was completed in 2018, and there were no other records documenting any patrols at this location since.

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that we were unable to locate the required documentation of patrolling of mains as listed. AmeriGas intends to conduct future patrolling surveys at the Maui Market, Manini Holdings/Brew Lot 12, Henry Street Landing, and Residences of Laule's jurisdictional systems at the frequencies stated in 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual.

PROBABLE VIOLATION 12:

12. § 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.

AmeriGas failed to conduct leak surveys of their systems in business districts at intervals not exceeding 15 months but at least once each calendar year:

- Shops at Wailea (Maui) - the operator did not conduct a leak survey in 2020. Surveys conducted 9/21/2022, 10/13/2021, 8/12/2019.
- Tosei (Maui) - the operator did not conduct a leak survey in 2020. Surveys conducted 11/5/2021, 10/15/2019, 12/19/2018.
- Shops at Mauna Lani (Hawaii) - the operator did not conduct a leak survey in 2019, 2020, or 2021. Surveys conducted 10/25/22 and 8/30/18.

This violation is a repeat of violations found in CPF # 5-2019-0016, Item # 6

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that we were unable to locate the required documentation of patrolling of mains in the listed years for the listed systems. AmeriGas intends to perform future leak surveys at the Shops of Wailea, Tosei, and

Shops of Mauna Lani jurisdictional systems at the frequencies stated in 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual.

PROBABLE VIOLATION 13:

13. § 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 subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is –

AmeriGas failed to inspect or adequately document the inspection of the regulators every year at intervals not to exceed 15 months:

- "Puna Kai" (Hawaii) system – the operator inspected the regulators on 8/26/19 and 8/25/22 but did not inspect regulators in 2020 or 2021. The system was installed 8/22/19.
- "Residences of Laulea" (Hawaii) - the operator inspected the regulators on 8/26/22 and 7/25/19 but did not inspect regulators in 2020 or 2021.

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that we were unable to locate the required documentation demonstrating the performance of regulator inspections in the listed years for the listed systems. AmeriGas intends to perform future regulator inspections at the Puna Kai and Residences of Laule's jurisdictional systems at the frequencies stated in 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual.

PROBABLE VIOLATION 14:

14. § 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 subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is –

(1)

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

AmeriGas failed to correct deficiencies identified during the inspection of the regulating equipment at "Shops at Wailua" system. The operator personnel who conducted the regulator inspection of that system recognized it was inadequate from the standpoint of capacity and reliability for the service in which it is employed and, on March 19, 2019,

Mr. Dustin Hubbard

July 24, 2023

Page 16

generated a Sales and Service Order stating that AmeriGas "need to install a monitoring regulator." According to statements made to PHMSA, the operator personnel was later told by superiors in AmeriGas that an additional monitoring regulator (i.e., pressure limiting device) was not needed.

Photos taken during the November 12, 2022 inspection showed that the "Shops at Waelia" system had 2 parallel Fisher 627-7710 regulators (one per tank), and the associated regulating inspection worksheet showed that these regulators reduce the system's pressure from approximately 118 psi to 10 psi (the reported MAOP of the pipeline) without overpressure protection in the event of a regulator failure. Literature from the regulator's vendors and statements made by the regulator's vendor clearly demonstrate that a Fisher 627-7710 regulator lacks an internal relief valve and that additional overpressure protection (e.g., relief or limiting equipment) is needed. Therefore, AmeriGas was aware as early as March 19, 2019, that the regulating equipment as it was configured at the Shops of Wailea system was inadequate but failed to correct it by November 12, 2022.

AMERIGAS RESPONSE:

AmeriGas does not contest the findings of PHMSA that the system referenced lacked over pressure protection. AmeriGas has installed overpressure protection at the Shops of Wailea jurisdictional system first regulator station and provide the following photograph evidencing the installation of the monitor regulators.



PROBABLE VIOLATION 15:

15. § 192.747 Valve maintenance: Distribution systems.

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

The operator failed to inspect or record the inspection of valves that might be needed in an emergency annually at intervals not to exceed 15 months. "Key Valve Inspection Report" records documented the following:

- Coconut Grove (Maui)- Worksheets were completed in 2021, 2020, and 2018, but not for 2019.
- Tosei (Maui) - Worksheets were completed in 2021 and 2019 but not for 2020.
- Residences of Laule'a (Hawaii) - Worksheets were completed in 2022 and 2020 but not for 2021.

AMERIGAS RESPONSE:

AmeriGas contests this allegation as it relates to the 2019 Coconut Grove valve maintenance records. Subsequent to the inspection but prior to the issuance of the NOPV, AmeriGas has located the 2019 Valve Maintenance record for the Coconut Grove system. This form appears at the end of this response.

AmeriGas does not contest the allegations related to all other missing records and intends to perform future valve maintenance inspections at the Residence of Laule's jurisdictional systems at the frequencies stated in 49 CFR Part 192 and the AmeriGas Operations and Maintenance manual.

PROBABLE VIOLATION 16:

16. § 192.751 Prevention of accidental ignition.

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following:

When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided.

AmeriGas failed to minimize the danger of accidental ignition and provide a fire extinguisher while gas was vented into the open air at their "AAAAA Storage" site. During the November 2022 site visit, the operator removed a plug fitting on a first-stage regulator to check the pressure with a clock gauge. The operator accidentally removed the plug fitting from high-pressure (tank pressure) side of the regulator discharging high-pressure propane into the open air. The operator did not have a fire extinguisher present, nor did they take other customary and reasonable steps to minimize the danger of accidental ignition, such as monitoring the atmosphere with a combustible gas meter.

AMERIGAS RESPONSE:

AmeriGas contests the allegation that it failed to minimize the danger of accidental ignition while gas was vented into the open air at their "AAAAA Storage" site during the November 2022 site visit and believes this violation was cited in error. Specifically, due to the configuration of the test port, limited flow permitted through a No. 54 orifice, and

consistent standard operating practice within the propane industry to release small inconsequential amounts of propane vapor from openings as part of the requirements outlined in NFPA 58, there was no hazardous condition created through the actions of our employee during the November of 2022 site visit.

The applicable code sections in the 2004 edition of NFPA 58 state: "Every container designed to be filled on a volumetric basis shall be equipped with a fixed maximum liquid level gauge(s) to indicate the maximum filling level(s) for the service(s) in which the container is to be filled or used (see 7.4.3.3)". See Section 5.7.8.3. These devices and their opening size are also defined in section 5.7.8.10 that states: "Gauging devices requiring bleeding of product to the atmosphere, such as fixed liquid level, rotary tube, and slip tube gauges, shall be designed so that the bleed valve maximum opening to the atmosphere is not larger than a No. 54 drill size."

The intent of this limited orifice size is to ensure that a flammable environment is not likely to occur thus requiring no additional protective measures be put in place during the release of vapor as part of the filling operation. Each of these devices are designed to release vapor at tank pressure for the duration of the filling process until liquid emits from the fixed maximum liquid level gauge demonstrating that the container has been filled to the manufacture's predesignated maximum fill level.

In filling the container, the fixed maximum liquid level gauge is opened to atmosphere, generally after the hose is connected but always prior to the flowing of liquid propane into the container. This pre flow opening is done to confirm that sufficient outage exists within the container prior to product flow. The gauging device remains open through the duration of the filling process under the observation of the filler, until such point that liquid emits from the opening. This evidences that the container is full to the maximum allowable quantity. Only after the container is identified to be full or the filling process is completed - prior to reaching the maximum allowable quantity - is the fixed maximum liquid level gauge closed.

Regulator test ports on propane service regulators utilized in first or second stage pressure reduction operations are equipped with a No. 54 drill size orifice openings within both the inlet and discharge sides of the regulator. This limited orifice size allow for the removal of the test port for the purposes of inserting a gauge or sampling device without the need for system de-energization or the potential of creating an unsafe condition for the worker, neighboring public, property or the environment. The limited emissions released from the removal of the test port and insertion of a gauge are consistent with, and likely significantly less than the emissions released during the filling process based merely on duration, and the lack of liquid expansion as is seen at the conclusion of the filling process.

Thus, because the maximum emitted volume of propane is restricted by the reduced internal orifice of the opening consistent with the standard operating procedures for

container filling, we do not believe there was a danger of accidental ignition and no additional actions were needed to minimize the danger of accidental ignition.

PROBABLE VIOLATION 17:

17. § 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;

AmeriGas failed to ensure that individuals performing tasks had been evaluated and could perform the assigned covered tasks, which is a requirement to be “qualified” under § 192.803. PHMSA observed worksheets where an operator inspected pressure-regulating equipment. When asked for the qualification records for that task, the relevant operator personnel stated that he was not qualified for the task, and there was nothing on the regulator inspection worksheets suggesting that he worked under the span of control of a qualified individual.

AMERIGAS RESPONSE:

AmeriGas does not contest that the individuals name that appeared as signature of the of the regulator inspection document referenced may not have been qualified to complete the inspection and the form showed no evidence of a qualified individual being present and in direct observation of the task. AmeriGas is continuing to investigate the daily job files correlating with this job assignment to determine who was present and the qualifications of each. AmeriGas will ensure that future pressure-regulating equipment inspections are performed by operator qualified individuals, or if not qualified, under the span of control requirements for this task found in the AmeriGas Operator Qualification procedure.

PROBABLE VIOLATION 18:

18. § 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;

AmeriGas’s qualification program failed to ensure that individuals performing tasks were qualified to recognize and react to abnormal operating conditions (AOC), which is a requirement to be “qualified” under § 192.803.

• AmeriGas failed to train and qualify the operator of record for odorant testing for the Maui systems on how to recognize and respond to inadequate levels of odorization which is an AOC relevant to that task. AmeriGas uses Odorometer equipment to measure the concentration of propane-in-air at which the odorant is detectable and records the readily detectable level (RDL) and threshold detectable level (TDL) values on a worksheet. The operator of record for the odorant monitoring task for the Maui systems could not describe what these values meant or what appropriate or actionable values were. Upon reviewing the qualification materials for the operator, PHMSA found no mention of the terms RDL or TDL or what appropriate odorant concentrations or lower explosive limits were. The operator stated that in addition to the qualification materials he provided, he was required to watch a video on the use of the Odorometer equipment, but that the video was generic instructions for the use of the equipment and did not include information on how to interpret the results.

• AmeriGas failed to train and qualify the operator of record for corrosion control practices for their Oahu systems to recognize and test for shorted pipe, an AOC relevant to that task. During the on-site inspection, PHMSA identified a visibly shorted pipe and asked the operator to test the isolation. Although the operator had the equipment to conduct the test, he was not able to perform the task.

AMERIGAS RESPONSE:

AmeriGas contests this violation. All operator qualified employees who performed OQ tasks on the Hawaiian Islands underwent qualification training within the five years prior to the November 2022 site visits performed by PHMSA. Through this qualification process all employees demonstrated competency through the performance of a skills assessment that they understood and were able to properly perform the tasks identified within the AmeriGas Operating and Maintenance Manual.

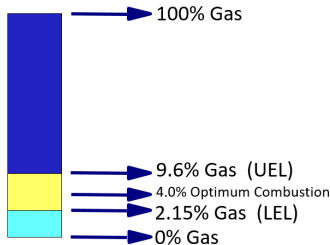
The terms RDL (Readily Detectable Level) and TDL (Threshold Detectable Level), appropriate odorant concentrations and lower explosive limits are already contained in the AmeriGas OQ power point presentation for odor concentration level testing using an instrument. Here AmeriGas has included both power point training slides.

Definitions

- **Threshold Detection Level** – the concentration of propane and odorant mixture in air which the operator is barely able to detect an odor
- **Readily Detectable Level** – the concentration of propane and odorant mixture in air which the operator is able to detect and identify propane gas odor

Characteristics of Propane

Flammability Range of PROPANE



- 100% Gas
- 9.6% Gas (UEL)
- 4.0% Optimum Combustion
- 2.15% Gas (LEL)
- 0% Gas

Mr. Dustin Hubbard

July 24, 2023

Page 21

Subsequent to and based on the findings identified by PHMSA during the visit, AmeriGas performed training on the subject of corrosion control during the week of December 5, 2022. Copies of these training records are attached herein. In addition to the actions taken to date, AmeriGas intends to provide additional refresher training on the subject of odorant testing and how to recognize and respond to inadequate levels of odorization for the operator qualified technicians interviewed by PHMSA at the time of the inspection. This refresher training will be completed prior to September 5, 2023.

Thank you for your consideration in this matter and continued partnership in supporting the logistical challenges in mobilizing personnel and equipment in bulk to the Hawaiian Islands through your granting of the 60-day extension. We will continue to communicate our progress and findings throughout our remediation project. Please do not hesitate to contact me at 610-308-3822 or by email at Christopher.wagner@amerigas.com if you or your staff have any questions or require additional information.

Sincerely,



Christopher Wagner
Director of Compliance and Regulatory Affairs

cc: Markus Drier, Vice President Safety & OMS
David Hedrick, Pipeline Manager