

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 27, 2013

Mr. Paul Grady  
Vice President & Chief Operating Officer  
AmeriGas Propane, LP  
460 North Gulf Road  
Valley Forge, PA 19482

**CPF 2-2013-0002W**

Dear Mr. Grady:

From March 4-8, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, inspected the AmeriGas Propane, LP (AmeriGas) liquefied petroleum gas (LPG) pipeline system records in the Lakeland, Florida office and pipeline facilities in Dover and Valrico, Florida.

As a result of the inspection, it appears that AmeriGas has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

**1. §192.11 Petroleum gas systems.**

**...(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.**

AmeriGas did not meet the requirements for “Regulator Installation” in NFPA 58, Section 6.7.4.6, which states that *“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.”*

The PHMSA inspectors observed and photographed AmeriGas gas meter assemblies, each of which included a regulator with a point of discharge less than 5 feet from a source of ignition (gas heater) at the following locations:

- 2411 Drake Elm Street, Valrico
- 2204 Durrant Court (Brandon East)
- 2203 Sunnybank (Brandon East)
- 3803 Sunnybank (Brandon East)

**2. §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 line, not in excess of 100 feet (30 meters), or separately protected service line, 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 did not provide records to demonstrate that it had performed external corrosion control monitoring of the tanks for the following systems in calendar year 2012 to determine whether the cathodic protection met the requirements of §192.463.

- Stoney Creek
- Valterra
- Brandon East
- Arista

**3. §192.721 Distribution systems: Patrolling.**

**(a) The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.**

**(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 4½ months, but at least four times each calendar year; and**

**(2) Outside business districts, at intervals not exceeding 7½ months, but at least twice each calendar year.**

AmeriGas did not provide records to demonstrate that it had patrolled its mains outside business districts for the following systems in calendar year 2012 at intervals not exceeding 7½ months, but at least twice each calendar year.

- Stoney Creek
- Valterra
- Brandon East
- Crosby Crossing
- Arista

**4. §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) In good mechanical condition;**
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and**
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.**

AmeriGas did not provide any records to demonstrate that it had inspected, tested, and determined the capacity of each pressure limiting and regulating station, and its equipment at the following locations in calendar year 2012.

- Brandon East
- Stoney Creek
- Valterra

**5. §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.**

AmeriGas identified 19 poly plug valves functioning as key or emergency valves in 5 regulated systems but did not provide any records to demonstrate that it had checked and serviced each of these valves in calendar year 2012. The two key valves at the Valterra system were not checked and serviced calendar years 2011 and 2012.

Under 49 United States Code, § 60122, AmeriGas Propane, LP is subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 items identified in this letter. Failure to do so will result in AmeriGas Propane, LP 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 2-2013-0002W**. 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,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region

CC: Keith Thomas, District Manager  
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