

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE NOTICE OF)
POTENTIAL VIOLATION OF 26 DEL.)
ADMIN. C. §8001 AND ASSOCIATED) PSC DOCKET NO. 393-13
CIVIL PENALTIES ASSESSED TO)
COUNTY PROPANE OF DELMARVA, LLC)
(OPENED AUGUST 8, 2013))

ORDER NO. 8514

AND NOW, this 6th day of February, 2014, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, the Commission has qualified for federal certification to operate a state pipeline safety compliance program pursuant to 49 U.S.C. §60105(a) and has the authority pursuant to 26 Del. C. §821 to make and enforce rules required by the federal National Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. Chapter 601); and

WHEREAS, the Commission is authorized by the Federal Pipeline Safety Regulations, 49 C.F.R., Parts 190-193 and 198-199, to order remedial actions and impose civil penalties where appropriate; and

WHEREAS, County Propane of Delmarva, LLC ("CPD) is an "Operator" as set forth in 26 Del. Admin. C. §8001-1.0 and 26 Del. C. §802(11) in that CPD acts as an operator of a buried propane pipeline facility used in the transportation of propane gas within the State of Delaware and therefore falls within the Commission's jurisdiction; and

WHEREAS, a member of the Commission's staff ("Staff") performed a standard inspection of CPD's propane distribution pipelines located at the Village of Noble's Pond located in Kent County, Delaware, and noted his findings in a written report dated June 24, 2013 (the "Report"), which findings included failure to properly test the

pipelines under required test pressures, failure to follow requirements in its O&M Manual, and failure to ensure the qualifications of individuals performing covered tasks; and

WHEREAS, CPD's failure to satisfy the testing requirements set forth above represents one violation of 49 C.F.R. §192.513(c);¹ and

WHEREAS, CPD's failure to follow its own procedural manuals represents one violation of 49 C.F.R. §192.605(a);² and

WHEREAS, CPD's failure to properly administer an appropriate written qualification program represents one violation of 49 C.F.R. §192.805(b);³ and

WHEREAS, based on the findings in the Report, the Program Manager of the Pipeline Safety Program for the State of Delaware (the "Program Manager") sent a written letter of the Notice of Potential Violations ("NOPV") to CPD on August 8, 2013, along with a copy of the Report. Copies of the NOPV and Report are attached to the Proposed Consent Agreement (defined below); and

¹ 49 C.F.R. §192.513(c) provides that "[t]he test pressure must be at least 150% of the maximum operating pressure or 50 p.s.i. (345kPA) gage, whichever is greater. However, the maximum test pressure may not be more than three times the pressure determined under Section 192.121, at a temperature not less than the pipe temperature during the test"

² 49 C.F.R. §192.605(a), which provides for "p]rocedural manual for operations, maintenance, and emergencies," states generally that "[e]ach 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."

³ 49 C.F.R. §192.805(b) "Each operator shall have and follow a written qualification program. The program shall include provisions to: ... (b) Ensure through evaluation that individuals performing covered tasks are qualified..."

WHEREAS, the NOPV recommended that CPD take certain remedial actions and pay civil penalties totaling \$2,200.00 consisting of \$1,000.00 for one violation of 49 C.F.R. §192.513(c), \$200.00 for one violation of 49 C.F.R. §192.605(a) and \$1,000.00 for one violation of 49 C.F.R. §192.805(b) (the "Civil Penalties"); and

WHEREAS, CPD promptly complied with the recommended remedial actions; and

WHEREAS, CPD and Staff entered into settlement negotiations and agreed to resolve the potential violations and pay the Civil Penalties by entering into a consent agreement (the "Proposed Consent Agreement") which is attached hereto as Exhibit "A". Both Staff and CPD agree that the Proposed Consent Agreement is subject to the Commission's review and final approval; and

WHEREAS, Staff and CPD submit that resolving this matter through a negotiated compromise and without the need for a formal evidentiary hearing serves the public interest and yields a reasonable result. In addition, both parties assert that the Civil Penalties are within the bounds of allowable civil penalty amounts based on circumstances unique to CPD and this settlement will avoid further administrative and hearing costs;

**NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF
NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. §512(c), the Commission finds that the Proposed Consent Agreement is in the public interest for the reasons set forth above and, therefore, approves such agreement in full.

2. Pursuant to 26 Del. Admin. C. §8001-7.1.2, 49 U.S.C. §60122(a), and subpart B of Part 190 of the Federal Regulations, the Commission assesses a civil penalty against CPD in the amount of \$2,200.00 payable within 20 days of the date of this Order.

3. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Jeffrey J. Clark
Commissioner

Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT "A"

Proposed Consent Agreement

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**BEFORE THE PUBLIC SERVICE COMMISSION
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ADMIN. C. §8001 AND ASSOCIATED)	PSC DOCKET NO. 393-13
CIVIL PENALTIES ASSESSED TO)	
COUNTY PROPANE OF DELMARVA, LLC)	
(OPENED AUGUST 8, 2013))	

PROPOSED CONSENT AGREEMENT

THIS PROPOSED CONSENT AGREEMENT is made this 13th day of January, 2014, between County Propane of Delmarva, LLC ("CPD") and the Delaware Public Service Commission Staff ("Staff").

WHEREAS, CPD is a Delaware limited liability company with headquarters located at 410 South Brandywine Avenue, Downingtown, PA 19335; and

WHEREAS, CPD is an "Operator" as set forth in 26 *Del. Admin. C.* §8001-1.0¹ and 26 *Del. C.* §802(11)² in that such company acts as an operator of a buried pipeline facility used in the transportation of gas, such as propane and natural gas, within the State of Delaware; and

WHEREAS, the Delaware Public Service Commission (the "Commission") has qualified for federal certification of a state pipeline safety compliance program under 49 U.S.C. §60105(a), which relates to the regulation of intrastate gas pipeline transportation; and

WHEREAS, 26 *Del. C.* §821 provides, in pertinent part, that the Commission "shall have the authority to make and enforce rules required by the federal Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. Chapter 601), to qualify for federal certification of a state pipeline safety compliance program under 49 U.S.C. § 60105(a),...."³ and

¹ Under 26 *Del. Admin. C.* §8001-1.0, an "Operator" means an "underground pipeline facility operator" as defined in 26 *Del. C.* §802(11).

² 26 *Del. C.* §802(11) defines an "underground pipeline facility operator" as an operator of a buried pipeline facility used in the transportation of gas, such as propane and natural gas, subject to the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. §1671 et seq.) [repealed by Act July 5, 1994, P.L. 103-272], or used in the transportation of hazardous liquid subject to the Hazardous Liquid Pipeline Safety Act of 1979 (49 U.S.C. § 2001 et seq.) [repealed by Act July 5, 1994, P.L. 103-272]; underground pipeline facility operators include, without limitation, natural gas, propane gas, master meter, LP gas and interstate and intrastate gas and liquid distribution facility operators as defined by these acts. NOTE: P.L. 103-272 amended and transferred to a new section of the U.S. Code the "Natural Gas Pipeline Safety Act of 1968" and the "Hazardous Liquid Pipeline Safety Act of 1979." See P.L. 103-272; 108 Stat. 745; 49 U.S.C. §§60101 through 60128.

³ 26 *Del. C.* §821 further provides, in pertinent part, that such rules shall incorporate the safety standards and penalty provisions (including injunctive and monetary sanctions) established under the federal Natural Gas Pipeline Safety Act of 1968, as amended [49 U.S.C. § 60101 et seq.], that are applicable to intrastate gas pipeline transportation and will apply to underground pipeline facility operators, as defined under 26 *Del. C.* §802(11).

WHEREAS, as part of its duties as a certified state pipeline safety compliance program, Mr. Robert Schaeffgen, a member of Staff, performed a standard inspection on June 24, 2013, of CPD's propane distribution facility located at the Village of Noble's Pond in Kent County, Delaware; and

WHEREAS, based on Mr. Schaeffgen's report and findings, Mr. Gerald D. Platt, Program Manager of the Pipeline Safety Program for the State of Delaware, sent a written letter of the Notice of Potential Violations ("NOPV") to CPD on August 8, 2013. A copy of the NOPV that Staff sent to CPD is attached as Exhibit "A"; and

WHEREAS, the NOPV indicated that the Commission is authorized by the Federal Pipeline Safety Regulations, 49 C.F.R., Parts 190-193 and 198-199 (the "Regulations"), to order remedial actions and to impose civil penalties. The NOPV further indicated that Staff recommended certain remedial action and civil penalties; and

WHEREAS, CPD has complied with all of the proposed remedial actions set forth in the NOPV and CPD and Staff entered into settlement negotiations and hereby propose to resolve all of the issues in this proceedings without recourse to a formal administrative hearing by entering into this Proposed Consent Agreement under the terms and conditions set forth herein; and

WHEREAS, CPD has been informed that it is entitled to an administrative hearing and to be represented by counsel and that its decision to waive a hearing is a free and voluntary act made by CPD;

NOW, THEREFORE, upon the mutual consent and agreement of CPD and Staff (individually, a "Party," and collectively, the "Parties"), the Parties hereby propose a complete settlement of all issues in this proceeding as follows:

1. The Parties have conferred and have agreed to enter into this Proposed Consent Agreement on the terms and conditions contained herein because they believe that resolving the matter by stipulation will serve the interest of the public. The Parties also agree that the terms and conditions of this Proposed Consent Agreement will be presented to the Commission for the Commission's final approval.
2. CPD waives its right to an administrative evidentiary hearing for this proceeding.
3. CPD states that it fully understands all of the violations alleged by Staff, the facts relating to above-referenced potential violations, and all of the consequences of its consent to this Proposed Consent Agreement.
4. CPD admits to all of the facts relating to the above-referenced violations.
5. Pursuant to 26 *Del. Admin. C.* §8001-7.1.2, CPD agrees to pay a civil penalty in the amount of \$2,200.00 within 20 days of the date of a final Commission order that approves this Proposed Consent Agreement. This sum is the total of a civil penalty in the amount of \$1,000.00 for the violation of 49 C.F.R. §192.513(c), a civil penalty in the amount of \$200.00 for

one violation of 49 C.F.R. §192.605(a), and a civil penalty in the amount of \$1,000.00 for one violation of 49 C.F.R. §192.805(b). Pursuant to 26 *Del. C.* §116(b)(2), these civil penalties will be payable to and deposited into the General Fund of the State of Delaware.

6. If CPD fails to pay the sum of \$2,200.00 in civil penalties within 20 days of the date of a final Commission order approving this Proposed Consent Agreement, CPD agrees that it shall pay interest at the current annual rate in accordance with 31 U.S.C. §3717, 31 C.F.R. §901.9, and 49 C.F.R. §89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be assessed if payment is not made within 110 days of service of a Notice of Late Payment. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Delaware Attorney General for appropriate action.

7. This Proposed Consent Agreement is the free and voluntary act of CPD and its terms are binding upon CPD and may be admitted into evidence in any judicial or administrative proceeding that may be required against CPD in order to enforce its terms.

8. This finding of violations, in addition to the mitigating factors, will be considered a prior offense in any subsequent enforcement action against CPD.

9. Nothing in this Proposed Consent Agreement affects or relieves CPD of its responsibility to comply with all applicable requirements of the federal Pipeline Safety Laws, 49 U.S.C. §60101, et seq., and the regulations and administrative orders issued thereunder. Nothing in this Agreement alters Staff's right of access, entry, inspection, and information gathering or Staff's authority to bring enforcement actions against CPD pursuant to the federal Pipeline Safety Laws, the regulations and administrative orders issued thereunder, Delaware's law or regulations, or any other provision of Federal or State law.

10. No change, amendment, or modification to this Proposed Consent Agreement shall be effective or binding unless it is in writing and is dated and signed by the Parties.

11. If Staff or the Commission fails to act on any one or more defaults by CPD, such failure to act shall not be a waiver of any rights hereunder on the part of the Staff or the Commission to declare CPD in default and to take such action as may be permitted by this Proposed Consent Agreement or by law.

12. This agreement shall survive CPD and be enforceable against its successors or assigns.

13. The provisions of this Proposed Consent Agreement are not severable.

14. The Parties agree that this Proposed Consent Agreement may be submitted to the Commission for its consideration and final decision and that no Party will oppose such a determination. Except as expressly set forth herein, neither of the Parties waives any rights it may have to take any position in future proceedings regarding the issues in this proceeding, including positions contrary to positions taken herein or in previous cases.

15. This Proposed Consent Agreement will become effective upon the Commission's issuance of a final order approving it and all of its terms and conditions without modification. After the issuance of such final order, the terms of this Proposed Consent Agreement shall be implemented and enforceable notwithstanding the pendency of any legal challenge to the Commission's approval of this Proposed Consent Agreement or to actions taken by another regulatory agency or Court, unless such implementation and enforcement is stayed or enjoined by the Commission, another regulatory agency, or a Court having jurisdiction over the matter.

16. The Parties may enforce this Proposed Consent Agreement through any appropriate action before the Commission or through any other available remedy. Any final Commission order related to the enforcement or interpretation of this Proposed Consent Agreement shall be appealable to the Superior Court of the State of Delaware, in addition to any other available remedy at law or in equity.

17. If a Court grants a legal challenge to the Commission's approval of this Proposed Consent Agreement and issues a final non-appealable order that prevents or precludes implementation of any material term of this Proposed Consent Agreement, or if some other legal bar has the same effect, then this Proposed Consent Agreement is voidable upon written notice by either Party to the other Party.

18. This Proposed Consent Agreement resolves all of the issues specifically addressed herein and precludes the Parties from asserting contrary positions during subsequent litigation in this proceeding or related appeals; provided, however, that this Proposed Consent Agreement is made without admission against or prejudice to any factual or legal positions which any of the Parties may assert (a) if the Commission does not issue a final order approving this Proposed Consent Agreement without modifications; or (b) in other proceedings before the Commission or another governmental body so long as such positions do not attempt to abrogate this Proposed Consent Agreement. This Proposed Consent Agreement is determinative and conclusive of all of the issues addressed herein and, upon approval by the Commission, shall constitute a final adjudication as to the Parties of all of the issues in this proceeding.

19. This Proposed Consent Agreement contains all of the terms and conditions agreed to by the Parties and constitutes the final agreement between CPD and Staff.

20. This Proposed Consent Agreement is expressly conditioned upon the Commission's approval of all of the specific terms and conditions contained herein without modification. If the Commission fails to grant such approval, or modifies any of the terms and conditions herein, this Proposed Consent Agreement will terminate and be of no force and effect, unless the Parties agree in writing to waive the application of this provision. The Parties will make their best efforts to support this Proposed Consent Agreement and to secure its approval by the Commission.

21. It is expressly understood and agreed that this Proposed Consent Agreement constitutes a negotiated resolution of the issues in this proceeding.

22. Each of the undersigned representatives of the Parties certifies that he or she is fully authorized by the Party represented to enter into the terms and conditions hereof and to execute and legally bind that Party to it.

23. This Proposed Consent Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. If either Party sends the other Party a signature on this Proposed Consent Agreement by facsimile transmission or by e-mail as a ".PDF" format file, such signature shall create a valid and binding obligation of the Party executing it (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".PDF" signature page were an original thereof. CPD agrees that an uncertified copy hereof shall be valid as evidence in any proceeding that may be required for purposes of enforcement.

[SIGNATURE PAGE TO FOLLOW]

The undersigned Parties, intending to bind themselves and their successors and assigns, have caused this Proposed Consent Agreement to be signed by their duly-authorized representatives and hereby agree to all of the conditions and terms set forth in this Proposed Consent Agreement.

DELAWARE PUBLIC SERVICE COMMISSION STAFF

By: Gerald D. Platt

Date: 1/13/14

Printed Name: GERALD D. PLATT

Title: Pipeline Safety Program Manager

COUNTY PROPANE OF DELMARVA, LLC

By: [Signature]

Date: 1-9-14

Printed Name: Henry Miller, Jr.

Title: Member

EXHIBIT "A"

**COPY OF WRITTEN NOTICE OF POTENTIAL VIOLATION
OF 26 Del. Admin. C. §8001 DATED AUGUST 8, 2013, FROM
THE DELAWARE PUBLIC SERVICE COMMISSION STAFF
TO COUNTY PROPANE OF DELMARVA, LLC**

Docket NO. 393-13

alisa
Derna
Jerny
Jo.



STATE OF DELAWARE
PUBLIC SERVICE COMMISSION

861 SILVER LAKE BOULEVARD
CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
FAX: (302) 739-4849

August 8, 2013

County Propane of Delmarva, LLC
ATTN: Norman Field, Manager
410 South Brandywine Ave.
Downingtown, PA 19335

RE: Written Notice of Potential Violation of 26 Del. Admin. C. §8001 – Village of Noble's Pond

Dear Mr. Field:

This letter serves as notice to County Propane of Delmarva, LLC (the "Operator") of potential violations of the State of Delaware's Rules to Establish an Intrastate Gas Pipeline Safety Compliance Program, 26 Del. Admin. C. §8001 (the "Regulations"). The Regulations, at a minimum, enforce the standards set forth in the Federal Pipeline Safety Regulations, Title 49, U.S. Code of Federal Regulations, Parts 190-193 and 198-199.

On June 24, 2013, Mr. Robert Schaeffgen, a member of the Commission Staff, performed a Standard Inspection of the records and facilities of the Operator for Village of Noble's Pond in Dover, DE. Mr. Schaeffgen noted the following:

In reviewing records of new pipelines that have been installed, Mr. Schaeffgen noted records showing pressure tests of these new pipelines conducted at 10 psig, 15 psig, 25 psig, and 30 psig. The Maximum Allowable Operating Pressure (MAOP) of this system is documented as 30 psig. The on-site representative for the Operator was Mr. George Epp. When Mr. Epp was reminded that the Operator's O&M Manual requires pressure testing to be conducted at 1.5 times the MAOP, he responded that he was not aware of this requirement. It should be noted that Mr. Epp has been qualified under the Operator's "Operator Qualification Plan".

This represents the following potential violations:

- 1) One (1) potential violation of 49 C.F.R. §192.513(c): Test requirements for plastic pipelines, which requires the following:

"The test pressure must be at least 150% of the maximum operating pressure or 50 p.s.i. (345 kPa) gage, whichever is greater. However, the maximum test pressure may not be more than three times the pressure determined under §192.121, at a temperature not less than the pipe temperature during the test."

- 2) A potential violation of 49 C.F.R. §192.605(a): Procedural manual for operations, maintenance, and emergencies. This section states the following:

"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."

- 3) A potential violation of 49 C.F.R. §192.805(b): Qualification Program which requires the following:

"Each operator shall have and follow a written qualification program. The program shall include provisions to: ... (b) Ensure through evaluation that individuals performing covered tasks are qualified"

The Commission is authorized by the Regulations to order remedial actions and to impose civil penalties. In this case, the Commission Staff is recommending the following remedial action and civil penalties:

- 1) The Operator should review all pressure testing records for Village of Noble's Pond to determine which pressure tests have been conducted improperly. Within 30 days of this letter, any pipelines that were improperly pressure tested should be re-tested in such a manner so as to comply with 49 C.F.R. §192, Subpart J – Test Requirements. Documentation of all re-testing should be provided to the Commission Staff.
- 2) Within 30 days of this letter, the Operator should review its O&M Manual and make all necessary changes so as to be in compliance with 49 C.F.R. §192, Subpart J – Test Requirements. A copy of the revised O&M Manual should be provided to the Commission Staff.
- 3) Within 30 days of this letter, all Operator staff currently qualified in the task of pressure-testing should be re-qualified. No further pressure testing shall be performed until this re-qualification has been completed. Copies of the re-qualification documentation should be sent to the Commission Staff.
- 4) Civil penalties are proposed in the amount of \$1,000.00 for the potential violation of 49 C.F.R. §192.513(c), \$200.00 for the potential violation of 49 C.F.R. §192.605(a), and \$1,000.00 for the potential violation of 49 C.F.R. §192.805(b). Thus, the total amount of recommended civil penalties is \$2,200.00. Additional penalties may also be imposed for any additional violations found in any ensuing investigations or hearings.

The Commission Staff is referring this matter to the Commission for a formal hearing so that the Commission can rule on this matter. A docket will be opened for this matter, and a notice of a hearing date will be sent to the Operator as soon as possible.

Mr. Norman Field, County Propane of Delmarva
August 8, 2013
Page 3

If you have questions regarding this matter, please don't hesitate to contact me at 302-736-7526.

Sincerely,



Gerald D. Platt, Program Manager

Enclosure: Copy of Violation Report for 6/24/13

cc: Julie Donoghue, Deputy Attorney General
Robert Schaeffgen, DE PSC Pipeline Safety Inspector

UNITED STATES DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
GAS PIPELINE SAFETY VIOLATION REPORT

1. Inspector Name Robert Schaeffgen	2. Date of Inspection 06/24/13	3. CPF #					
4. Pipeline Operator/Owner County Propane of Delmarva							
5a. Headquarters Address 410 South Brandywine Ave., Downingtown, PA 19335					5b. Telephone No. (610) 269-7900		
6. Inspection Location The Village of Noble's Pond					7. Inspection Unit No. <u>1</u> of <u>1</u>		
8. Portion of System Inspected (Describe location & facility)							
9. Nature and Size of Operator							
9a. Type of Operator				9b. Type of Pipe in System Inspected			
<input type="checkbox"/> LNG (interstate) <input type="checkbox"/> LNG (intrastate) <input checked="" type="checkbox"/> LPG <input type="checkbox"/> Master Meter <input type="checkbox"/> Other Distribution <input type="checkbox"/> Gathering <input type="checkbox"/> Transmission (interstate) <input type="checkbox"/> Transmission (intrastate)				<input type="checkbox"/> Cast Iron <input type="checkbox"/> Steel <input checked="" type="checkbox"/> Plastic <input type="checkbox"/> Other -			
				9c. Size of Operator (No. of Miles/Customers/Storage Capacity / 60 / 18,000 gallon wc			
10. Nature of Probable Violations (Check as many as applicable)							
<input type="checkbox"/> 1. Problem in Design/Materials <input checked="" type="checkbox"/> 2. Problem in Construction <input type="checkbox"/> 3. Welding or Joining <input type="checkbox"/> 4. Problem in LNG Equipment <input checked="" type="checkbox"/> 5. Test Requirements or MAOP Qualification <input type="checkbox"/> 6. Corrosion Control <input type="checkbox"/> 7. Pressure Control <input type="checkbox"/> 8. Other Maintenance/Monitoring <input type="checkbox"/> 9. Personnel Qualifications & Training <input type="checkbox"/> 10. Fire Protection <input type="checkbox"/> 11. Security <input type="checkbox"/> 12. Anti-Drug Program <input type="checkbox"/> 13. Other Operations <input type="checkbox"/> 14. Reporting Requirements <input type="checkbox"/> 15. Other _____ <input type="checkbox"/> 16. Inadequate/No Procedures							
<input type="checkbox"/> A. Construction <input type="checkbox"/> B. Corrosion Control <input type="checkbox"/> C. Operations				<input type="checkbox"/> D. Training <input type="checkbox"/> E. Maintenance			

Violation No. 1

Violated: 192.605 (a) Procedural Manual for operations, maintenance, & emergencies

11b. Summarize what the regulation requires that operator did not do:

Operator construction personnel George Epps and Barry Bennett did not follow Pressure and leak test requirements as stated in operator's Operating and Maintenance procedures, Section 3.3 which calls for a test pressure of 45PSIG which is 1.5 times the established MAOP for the LP gas system at The Village of Noble's Pond.

12. Provide detailed information about violation:

Records of main testing indicate that operator has performed pressure tests at 10PSIG, 15PSIG, 25PSIG and 30PSIG on both mains and services. Operator has followed the correct test duration. All mains and services are to be tested at 45 PSIG for the times noted in Section 3.3 of operator's O & M procedures.

13. Public and/or environmental concerns in area of violation:

By operator's not testing at 1.5 times the MAOP of 30PSIG noted in their procedures, operator could be compromising the public safety.

14a. Person Interviewed: George Epp **Title:** County Propane Serviceman

14b. Comments of person interviewed: Stated that he had not been thoroughly aware that the test pressure for testing mains and services was 45PSIG which is 1.5 times the MAOP.

Continuation Sheet

Violation No. 2

11a. CFR Violated: 192.513 (c) Test requirements for plastic pipelines

11b. Summarize what the regulation requires that operator did not do:

The test pressure must be at least 150 percent of the maximum operating pressure or 50 p.s.i. (345 kPa) gage, whichever is greater.

12. Provide detailed information about the violation:

There were some main pressure tests in which the pressure was not at least 150 percent of the maximum operating pressure of 15PSIG and not the greater of 22.5PSIG and 50 p.s.i.

13. Public and/or environmental concerns in area of violation:

Same as above in Violation No. 1

14a. Person Interviewed: George Epp Title: County Propane Serviceman

14b. Comments of person interviewed: Operator did not appear to recognize the pipeline safety regulations with respect to the testing of plastic pipelines at the greater of 1.5 times the MOP and 50PSIG.

Continuation Sheet

Violation No. 3

11a. CFR Violated: 192.805(b) Ensure through evaluation that individuals performing covered tasks are qualified

11b. Summarize what the regulation requires that operator did not do:

Operator has not provided documentation that the County Propane of Delmarva individuals performing covered tasks are qualified to perform covered tasks.

12. Provide detailed information about the violation:

Operator has not provided documentation that Company personnel have been operator qualified to perform covered tasks at The Village at Noble's Pond.

13. Public and/or environmental concerns in area of violation:

Operator personnel may not have the proper knowledge and skills ("hands on" experience) necessary to perform the covered tasks in a manner to ensure the safe operation of pipeline facilities which could place residents and the public-at-large at risk.

14a. Person Interviewed: Norm Field Title: Manager

14b. Comments of person interviewed: On Monday morning 07/22/13 Norm Field said that he would provide a copy of the Operator Qualification Plan as well as the documentation that George Epps and Barry Bennett were qualified to perform the covered tasks (leak survey, tank-to-soil monitoring, sniff tests, etc.). To date (as of 07/24) the PSC has not received the qualification documentation.

15. Supporting Documents/Materials

Item No.	Description (Include date)	Source of Documents	Remarks

16. Inspector's Signature:

Date:

17. <u>Compliance History</u>				
Date	Place	Describe Violation/ Noncompliance	CPF No. Date WL	Outcome
18. <u>Gravity of Offense</u>				
19. <u>Degree of Culpability</u>				
20. <u>Ability to Continue in Business</u>				
21. <u>Ability to Pay</u>				
22. <u>Good Faith in Attempting to Achieve Compliance</u>				
23a. <u>Proposed Remedy</u>				
_____	Warning Letter			
_____	Civil Penalty: Recommended Amount \$ _____			
_____	Compliance Order			
_____	Hazardous Facility Order			
_____	Notice of Amendment of O&M Plan			
23b. <u>Analysis of Proposed Remedy</u>				
24. Regional Director's Signature:			Date:	
_____			_____	

U.S. Department of Transportation
Office of Pipeline Safety
Eastern Region

EXHIBIT TAB

Name of Operator

Exhibit No.

Evidence

Obtained from

Identifying Witness

Investigator
Name

Title