

Trier, John (UTC)

From: Norwood, Derek (UTC)
Sent: Tuesday, October 29, 2024 11:48 AM
To: Pipeline Program, UTC; Trier, John (UTC)
Cc: Ritter, Dennis (UTC); Rathbun, Marina (UTC)
Subject: Sunshine Propane 1 of 3
Attachments: 8821 Results of Inspection Letter Responce back Polk St.docx; DCC Sunshine Pres Lim Insp and Testing Pol and Proced 49CFR 192.739(A).docx; DCC Sunshine Pressure Limiting and Testing Documentation CFR 192.739(A).docx; Sunshine Propane Emergency Response III Rev Oct 14 2024 CFR 192.615(B)(1).docx

Importance: High

John,

Here are the response documents from Sunshine Propane for Polk Street (8821) and Tyler Street (8820). There will be 3 emails in total.

Thanks for uploading these.

Derek

From: Joe Applewhite <Joe.Applewhite@sunshinepropane.com>
Sent: Monday, October 28, 2024 1:47 PM
To: Norwood, Derek (UTC) <derek.norwood@utc.wa.gov>
Subject: Polk St Meter System
Importance: High

External Email

Derek,

Sorry for the late response. Attached are the letters with response added to each section. I have also attached new documents and procedures. I am working with Mike Sim to come up with a few more things you pointed out. I will have everything in place by Jan 1, 2025
I will send you another email with Tyler St system.

Thanks
Joe

From: Norwood, Derek (UTC) <derek.norwood@utc.wa.gov>
Sent: Tuesday, October 22, 2024 3:34 PM
To: Joe Applewhite <Joe.Applewhite@sunshinepropane.com>
Subject: RE: Response

Joe,

Any update on a response letter from Sunshine Propane?

Thanks,
Derek

From: Joe Applewhite <Joe.Applewhite@sunshinepropane.com>
Sent: Tuesday, October 8, 2024 4:30 PM
To: Norwood, Derek (UTC) <derek.norwood@utc.wa.gov>
Subject: Response

External Email

Derek sorry for not getting back to you. I am working on getting you the response to the letter. I know the due date was yesterday. I'll work on getting you a response asap.

Thanks

Joe

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STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

621 Woodland Square Loop S.E. • Lacey, Washington 98503

P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY 1-800-833-6384 or 711

Sent via email

September 3, 2024

Joe Applewhite
District Manager
Sunshine Propane
10853 Rhody Dr
Port Hadlock, WA 98339

RE: 2024 Liquefied Petroleum Gas (LPG) Standard Inspection – Sunshine Propane – Polk Street Complex – (Insp. No. 8821)

Dear Mr. Applewhite:

Staff from the Washington Utilities and Transportation Commission (staff) conducted a Standard Inspection of Sunshine Propane, Polk Street Complex on July 1, 2024. This inspection included a records review and inspection of the pipeline facilities.

Our inspection indicates six probable violations as noted in the enclosed report. We also noted one area of concern, which unless corrected, could potentially lead to future violation of state and/or federal pipeline safety rules.

Your response needed

Please review the attached report and respond in writing by October 7, 2024. The response should include how and when you plan to bring the probable violations into full compliance.

What happens after you respond to this letter?

The attached report presents staff's decision on probable violations and does not constitute a finding of violation by the commission at this time.

After you respond in writing to this letter, there are several possible actions the commission, in its discretion, may take with respect to this matter. For example, the commission may:

- Issue an administrative penalty under [RCW 81.04.405](#); or
- Issue a complaint under [RCW 81.88.040](#), seeking monetary penalties, changes in the company's practices, or other relief authorized by law, and justified by the circumstances. Any pipeline company that violates any pipeline safety provision of any commission order, or any rule in this chapter including those rules adopted by reference, or chapter

Respect. Professionalism. Integrity. Accountability.

Sunshine Propane – Polk Street Complex
2024 Standard Comprehensive LPG Inspection
Insp. No. 8821
September 3, 2024
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81.88 RCW is subject to a civil penalty not to exceed \$266,015 for each violation for each day that the violation persists. The maximum civil penalty for a related series of violations is \$2,660,135; or

- Consider the matter resolved without further commission action.

We have not yet decided whether to pursue a penalty or complaint in this matter. Should the commission decide to assess a penalty or initiate a complaint, your company will have an opportunity to respond and formally present its position.

If you have any questions or if we may be of any assistance, please contact Derek Norwood at (360) 259-2525. Please refer to the subject matter described above in any future correspondence pertaining to this inspection.

Sincerely,

Ritter,

Dennis (UTC)

Digitally signed by
Ritter, Dennis (UTC)

Date: 2024.09.03
14:45:58 -07'00'

for Scott Rukke
Pipeline Safety Director

cc: Dave Monroe, Service Manager, Sunshine Propane
Mike Sims, Principle Consultant, M. Sims LP Gas Safety Consulting, LLC

UTILITIES AND TRANSPORTATION COMMISSION
2024 Liquefied Petroleum Gas Pipeline Safety Inspection
Sunshine Propane – Polk Street Complex

The following probable violations and areas of concern of Title 49 CFR Part 192 and WAC 480-93 were noted as a result of the 2024 inspection of the Sunshine Propane – Polk Street Complex. The inspection included a random selection of records, operation and maintenance (O&M), emergency response, inventory, and field inspection of the pipeline facilities.

PROBABLE VIOLATIONS

1. **49 CFR §192.605(b)(4) Procedural manual for operations, maintenance, and emergencies**

(b) *Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.*

(4) *Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.*

Finding(s):

Sunshine Propane did not have procedures specific to data gathering and incident reporting requirements set forth in 49 CFR 191.5.

Response/Corrections

Sunshine Propane will work with Mike Sims to create a form for data gathering and incident reporting. We will have this in place by Jan. 1, 2025.

2. **WAC 480-93-180(1) Plans and procedures.**

(1) *Each gas pipeline company must have and follow a gas pipeline plan and procedure manual (manual) for operation, maintenance, inspection, and emergency response activities that is specific to the gas pipeline company's system. The manual must include plans and procedures for meeting all applicable requirements of 49 C.F.R. §§ 191, 192 and chapter 480-93 WAC, and any plans or procedures used by a gas pipeline company's associated contractors.*

Finding(s):

Sunshine Propane did not have procedures specific to Safety-Related Condition Reporting requirements set forth in 49 CFR 191.23.

Response/Corrections

Once Sunshine Propane completes the correction and addition to the Operation & Procedure Manual we will be in compliance with the chapter.

3. **49 CFR §192.605(b)(1) Procedural manual for operations, maintenance, and emergencies**

(b) *Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide*

safety during maintenance and operations.

- (1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.*

Finding(s):

Sunshine Propane did not have procedures specific the requirements set forth in 49 CFR 192.703(b). Pipeline operators must have procedures outlining that pipelines that become unsafe must be replaced, repaired, or removed from service. Procedures should be specific and describe instances when pipelines need to be replaced or repaired, including prompt repair of hazardous leaks.

Response/Corrections

Sunshine Propane will work with Mike Sims to create a procedure outlining the steps we will take to replaced, repaired, or removed from service. This Procedure will be in place by Jan 1, 2025.

4. **49 CFR §192.615(a)(8) Emergency plans**

- (a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:*
 - (8) Notifying the appropriate public safety answering point (i.e., 9-1-1 emergency call center) where direct access to a 9-1-1 emergency call center is available from the location of the pipeline, and fire, police, and other public officials, of gas pipeline emergencies to coordinate and share information to determine the location of the emergency, including both planned responses and actual responses during an emergency.*

Finding(s):

Sunshine Propane did not have procedures for notifying the appropriate public safety answering point required at an emergency and coordinating actual response with these officials.

Response/Corrections

Sunshine Propane Worked with Mike Sims on the following. Please See the Attachment.

5. **49 CFR §192.723(b)(1) Distribution systems: Leakage surveys.**

- (a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.*
- (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.*

Finding(s):

Sunshine Propane did not have records to prove that leakage surveys were conducted on their system at intervals not exceeding 15 months, but at least once each calendar year. Sunshine Propane had leak survey records for 2021, but no records were available for 2022 and 2023.

Response/Corrections

Leak survey was documented and put into another folder. See the attached records for 2022-2024.

6. **49 CFR §192.739(a) 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.*

Finding(s):

Sunshine Propane did not have records to prove that pressure regulators from the tank were inspected at the required interval. There was one inspection record for 2019 but no records were available for 2020 through 2023.

Response/Corrections

See attachments to this Email.

AREA OF CONCERN OR FIELD OBSERVATIONS

1. **49 CFR §192.479(a) Atmospheric corrosion control; General.**

(a) *Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.*

Finding(s):

During the field inspection, staff noted one area where atmospheric corrosion could result in a leak and code violation if not addressed. The area of concern was above ground piping feeding the gas meter with an approximate address of 215 Tyler Street, Port Townsend.

The concerning pipe was partially embedded in a concrete wall with minimal

atmospheric corrosion protection.

Response/Corrections

Sunshine Propane will address the corrosion by applying black paint to the affected areas after cleaning the pipe. This will be done by Jan 1, 2005.