

STATE OF MISSISSIPPI  
MISSISSIPPI INSURANCE DEPARTMENT  
LIQUEFIED COMPRESSED GAS BOARD

IN RE:           JOHNNY WHITEHEAD and  
                  REGAN & REGAN BUTANE GAS, Inc., d/b/a REGAN & REGAN

FINDINGS OF FACT, CONCLUSIONS OF LAW AND  
FINAL ADMINISTRATIVE ORDER

THIS MATTER came for hearing before the State Liquefied Compressed Gas Board ("Board"), on November 14, 2013, in the offices of the State Fire Academy in Pearl, Rankin County, Mississippi, on the Notice of Hearing and Statement of Charges against Johnny Whitehead (Whitehead), Driver/Installer, and Regan & Regan Butane Gas, Inc., permit No. 799 (Regan). Mr. Whitehead represented himself *pro se*, and participated fully in the hearing. Regan was represented by Mr. Bobby Patterson, President of Regan & Regan. The Board, finding that it has jurisdiction over the parties and the subject matter (Exhibits S-1, S-2, S-3 and S-4), and being fully advised in the premises makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1.

On September 12, 2013, L.C. Gas Division Executive Director Keith Montgomery (Montgomery) conducted an investigation (Exhibit S-5) after receiving a complaint from Mr. Bubba Buchanan, Herring Gas, Columbia Mississippi, that one of their tanks was filled by another company.

2.

Montgomery confirmed that the tank is leased by Herring Gas to Mr. Josh McAlister who

owns the property at 57 Ryals Road, Columbia, MS 39429.

3.

Mr. McAlister leases the tank to the current occupant of that property, Ms. Carla Harper.

4.

The tank is well-marked on two sides with a Herring logo affixed.

5.

Montgomery conducted an inspection of Regan on September 13, 2013, and confirmed that Regan delivered gas to Ms. Harper as a new customer.

6.

Montgomery spoke to the Regan driver, Mr. Johnny Whitehead, who admitted that he did pump that particular tank.

7.

In response to further questioning, Mr. Whitehead stated that he did not conduct a leak check.

8.

Mr. Whitehead was an employee of Regan & Regan at the time he filled the tank and failed to conduct a leak check.

9.

During the Hearing Mr. Patterson stated that he did not know about Mississippi Insurance Department Bulletin 2010-4, "Leak Checks", and the requirement to perform Leak Checks for first time service to a new customer .

#### CONCLUSIONS OF LAW

10.

2

Per Miss. Code Ann. § 75-57-9, National Fire Protection Association NFPA-54 and NFPA-58 (among other national codes and standards specified therein) are adopted by reference as specifications for the purpose of material standards, construction, handling, transportation and installation of all liquefied compressed gas systems and inspection and operation of pressure vessels. Consequently, a violation of the provisions of NFPA-54 and NFPA-58 constitutes a violation of Miss. Code Ann. §75-57-9.

11.

Whitehead and Regan violated Mississippi Insurance Department Regulation 2011-2, "Handling of Liquefied Compressed Gas", Section 4, by filling tanks owned by another dealer without written authorization.

Whitehead and Regan violated Mississippi Insurance Department Bulletin 2010-4, "Leak Checks", Paragraph I, by failing to perform Leak Checks on any interruption of service to an existing system or first time service to a new customer.

12.

The aforementioned safety violations by Whitehead and Regan constitute sufficient grounds for the imposition of disciplinary action per Miss. Code Ann. §§ 75-57-105 & 75-57-107.

**FINAL ADMINISTRATIVE ORDER**

**IT IS ORDERED** that:

A monetary penalty of Five Hundred Dollars (\$500.00) is imposed on Mr. Johnny Whitehead for violating Mississippi Insurance Department Regulation 2011-2, "Handling of Liquefied Compressed Gas" for filling tanks owned by another dealer without authorization. This fine shall be suspended for one year from the date of this order. If Whitehead is charged with

and found guilty of an additional violation of Mississippi Insurance Department Bulletin 2011-2 the entire fine shall be immediately due and payable in addition to any new violations.

A monetary penalty of Five Hundred Dollars (\$500.00) is imposed on Mr. Johnny Whitehead for violating Mississippi Insurance Department Bulletin 2010-4 by failing to perform Leak Checks on any interruption of service to an existing system or first time service to a new customer, payable to the Mississippi Insurance Department. This fine shall be suspended for one year from the date of this order. If Whitehead is charged with and found guilty of an additional violation of Mississippi Insurance Department Bulletin 2010-4 the entire fine shall be immediately due and payable in addition to any new violations.

Mr. Whitehead shall notify the Board that he has completed the first available "Out of Gas Leak Checks" seminar.

A monetary penalty of One Thousand Dollars (\$1,000.00) is imposed on Regan & Regan Butane Gas Company, Inc., for violating Mississippi Insurance Department Regulation 2011-2, "Handling of Liquefied Compressed Gas" for filling tanks owned by another dealer without authorization. Five Hundred Dollars (\$500.00) of that fine shall be suspended for one year from the date of this order. If Regan is charged with and found guilty of an additional violation of Mississippi Insurance Department Bulletin 2011-2 the remainder of the fine shall be immediately due and payable in addition to any new violations. The remaining penalty of Five Hundred Dollars (\$500.00) is due and payable to the Mississippi Insurance Department within thirty (30) days of receipt of this Order.

A monetary penalty of One Thousand Dollars (\$1,000.00) is imposed on Regan & Regan Butane Gas Company, Inc., for violating Mississippi Insurance Department Bulletin 2010-4 by failing to perform Leak Checks on any interruption of service to an existing system or first time

service to a new customer. Five Hundred Dollars (\$500.00) of that fine shall be suspended for one year from the date of this order. If Regan is charged with and found guilty of an additional violation of Mississippi Insurance Department Bulletin 2011-2 the remainder of the fine shall be immediately due and payable in addition to any new violations. The remaining penalty of Five Hundred Dollars (\$500.00) is due and payable to the Mississippi Insurance Department within thirty (30) days of receipt of this Order.

Regan shall notify the Board that its employees who service and/or deliver propane gas in Mississippi have completed the first available "Out of Gas Leak Checks" seminar.

**SO ORDERED**, this the 12<sup>th</sup> day of November, 2013.



**ROB LOVE, CHAIRMAN**  
**LIQUEFIED COMPRESSED GAS BOARD**

**APPROVED BY:**

  
**MIKE CHANEY**  
**COMMISSIONER OF INSURANCE**

Prepared by:

  
**John W. Eads**  
**Special Assistant Attorney General**