

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

October 3, 2019

Joseph Hartz
Vice President, Asset Management
UGI Energy Services, LLC
1 Meridian Boulevard
Wyomissing, PA 19610

CPF 1-2019-3002M

Dear Mr. Hartz:

On July 11 to July 13, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected UGI Energy Services, LLC (UGI)'s facility in Berks County, Pennsylvania.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within UGI's plans or procedures, as described below:

1. § 193.2503 Operating Procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

...

(c) Recognizing abnormal operating conditions.

UGI's manuals of written procedures, including its Operations Manual, issued October 10, 2016 (Operations Manual), were inadequate in that they failed to include provisions for recognizing abnormal operating conditions.

During the inspection, UGI presented Operations Manual Section 12.2.2 and Section 13.2.6. The

sections refer to occurrences which can lead to emergency shut down and process alarm shutdowns. However, an alarm may not necessarily be the only signal of an abnormal operating condition.

The terms abnormal operation or abnormal operating condition are not used in the Operations Manual. Additionally, the Operations Manual did not identify abnormal operating conditions.

Therefore, UGI’s Operations Manual was inadequate because it failed to include provisions for recognizing abnormal operating conditions.

2. § 193.2509 Emergency Procedures.

(b) To adequately handle each type of emergency identified under paragraph (a) of this section and each fire emergency, each operator must follow one or more manuals of written procedures. The procedures must provide for the following:

...

(3) Coordinating with appropriate local officials in preparation of an emergency evacuation plan, which sets forth the steps required to protect the public in the event of an emergency, including catastrophic failure of an LNG storage tank.

UGI’s manual of written procedures was inadequate in that it failed to include provisions for coordinating with appropriate local officials in preparation of an emergency evacuation plan.

During the inspection, the PHMSA inspector reviewed UGI’s LNG Emergency Procedures Manual, Revision 5, dated March 10, 2016 (Emergency Procedure). Emergency Procedure Chapters 1 through 4 described activities of plant personnel during an emergency. However, UGI’s Emergency Procedure failed to provide prescriptive language on the periodic training or communications with appropriate local officials to respond properly during an emergency and evacuation.

Therefore, UGI’s Emergency Procedure was inadequate because it failed to include provisions for coordinating with appropriate local officials in preparation of an emergency evacuation plan.

3. § 193.2509 Emergency Procedures.

(b) To adequately handle each type of emergency [a deviation from normal operation, a structural failure, or severe environmental conditions that probably would cause harm to people or property] identified under paragraph (a) of this section and each fire emergency, each operator must follow one or more manuals of written procedures. The procedures must provide for the following:

...

(4) Cooperating with appropriate local officials in evacuations and emergencies requiring mutual assistance and keeping these officials advised of:

(i) The LNG plant fire control equipment, its location, and quantity of units located throughout the plant;

(ii) Potential hazards at the plant, including fires;

- (iii) Communication and emergency control capabilities at the LNG plant; and,**
- (iv) The status of each emergency.**

UGI's manual of written procedures was inadequate in that it failed to require cooperating with appropriate local officials in evacuations and emergencies requiring mutual assistance and keeping these officials advised of all the information required by § 193.2509(b)(4)(i)-(iv).

During the inspection, the PHMSA inspector reviewed UGI's LNG Emergency Procedures Manual, Revision 5, dated March 10, 2016 (Emergency Procedure). Emergency Procedure's Chapters 1 through 4 described activities of plant personnel during an emergency. Section 2.4 of the manual stated "UGI supervisory personnel shall coordinate with local officials keeping them advised of the location of the plant fire control equipment, the potential hazards at the plant, and the status of each emergency."

UGI's Emergency Procedure failed to:

- provide details of the LNG plant fire control equipment location, and quantity of units located throughout the plant;
- provide methods of communication and emergency control capabilities at the LNG plant;

Therefore, UGI's Emergency Procedure was inadequate because it failed to include provisions for cooperating with appropriate local officials in evacuations and emergencies requiring mutual assistance and keeping these officials advised of all the information required by § 193.2509(b)(4)(i)-(iv).

4. § 193.2605 Maintenance Procedures.

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedure must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance; and

UGI's manual of written procedures was inadequate in that it failed to provide details of the inspections or tests determined under § 193.2605(a).

National Fire Protection Association (NFPA)-59A (2001), incorporated by reference, Sec. 9.3.2 states:

Continuously monitored low-temperature sensors or flammable gas detection systems shall sound an alarm at the plant site and at a constantly attended location if the plant site is not attended continuously. Flammable gas detection systems shall activate an audible and visual alarm at not more than 25 percent of the lower flammable limit of the gas or vapor being monitored.

During the inspection, the PHMSA inspector reviewed UGI's Operations Manual, issued October 10, 2016 (Operations Manual) Maintenance Procedure, MP 1050 Combustible Gas Detector Calibration. The procedure failed to provide details of performance testing to demonstrate that gas

detectors will activate an alarm at $\leq 25\%$ lower explosive limit (LEL) gas-in-air.

Therefore, UGI’s Operations Manual was inadequate because it failed to provide details of performance testing to demonstrate that gas detectors will activate an alarm at $\leq 25\%$ LEL gas-in-air, and frequency of performance.

5. § 193.2605 Maintenance Procedures.

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedure must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance; and

UGI’s manual of written procedures was inadequate in that it failed to provide details of the inspections or tests determined under § 193.2605(a).

Section 193.2609 Support systems states:

Each support system or foundation of each component must be inspected for any detrimental change that could impair support.

During the inspection, the PHMSA inspector requested procedures for the inspection of support systems. The PHMSA inspector reviewed UGI’s Operations Manual, issued October 10, 2016 (Operations Manual) Maintenance Procedure, MP-1003 Corrosion Protection – Atmospheric. However, the procedure failed to include a complete process for the inspection of the support systems present at the facility.

The procedure failed to address corrosion to the structure, and ignored that many of the supports were a metal/concrete system which mandates inspection of the non-metallic structure. The procedure prescribed a triennial inspection on steel components, including supports, but failed to identify concrete systems.

Therefore, UGI’s Operations Manual was inadequate because it failed to provide adequate details of support system inspections.

6. § 193.2605 Maintenance Procedures.

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component including any required corrosion control. The procedure must include:

...

(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.

UGI’s manual of written procedures was inadequate in that it failed to provide a description of other actions necessary to maintain the LNG plant according to the requirements of Subpart G.

§ 193.2637 Remedial measures states:

Prompt corrective or remedial action must be taken whenever an operator learns by inspection or otherwise that atmospheric, external, or internal corrosion is not controlled as required by this subpart.

During the inspection, the PHMSA inspector reviewed UGI's Operations Manual, issued October 10, 2016 (Operations Manual) MP-1003, Corrosion Protection-Atmospheric. UGI's Operations Manual stated in part "Areas that need to be recoated shall be identified and remedial work shall be scheduled within six months of the inspection." UGI's Operations Manual provided no other prescriptive language related to corrective or remedial action of uncontrolled atmospheric, external, or internal corrosion.

Therefore, UGI's Operations Manual was inadequate because it failed to provide description of remediation activities of uncontrolled atmospheric, external, or internal corrosion.

7. § 193.2605 Maintenance Procedures.

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component including any required corrosion control. The procedure must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance;

UGI's manual of written procedures was inadequate in that it failed to provide details of the inspections or tests determined under § 193.2605(a).

Section 193.2633 Interference currents states:

(a) Each component that is subject to electrical current interference must be protected by a continuing program to minimize the detrimental effects of currents.

During the inspection, the PHMSA inspector reviewed UGI's Operations Manual, issued October 10, 2016 (Operations Manual). The procedure failed to provide details on conducting electrical current interference testing.

Therefore, UGI's Operations Manual was inadequate because it failed to provide details for electrical interference testing.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that UGI Energy Services, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2019-3002M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*