



October 31, 2019

Via Overnight Delivery Service

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

Re: UGI Energy Services, LLC
Matter No. CPF 1-2019-3002M

Temple LNG Facility – Response to Notice of Amendment Letter

Dear Mr. Burrough:

This letter constitutes the formal response of UGI Energy Services, LLC (“UGIES”) to your letter on behalf of the Pipeline Hazardous Materials and Safety Administration (“PHMSA”) dated October 3, 2019 (the “October 3 Letter”), asserting alleged inadequacies found within UGIES’ plans and procedures and requiring UGIES to undertake certain remedial actions with respect to the Temple LNG Facility operated by UGI LNG, Inc. in Berks County Pennsylvania.

The October 3 Letter first asserts that UGIES’ Operations Manual violated 49 CFR §193.2503(c) by not including provisions for recognizing abnormal operating conditions. UGIES still believes its alarm monitoring system and Alarm Response Procedures in its Operations Manual adequately addresses the code requirement of recognizing abnormal operating conditions. However, in order to satisfy PHMSA’s request, UGIES agrees to modify its Operations Manual chapter on Alarm Response Procedures to include a list of both abnormal operating conditions that its Alarm Response Procedures will recognize and any that could potentially arise that the plant’s alarm monitoring system would not recognize. Finally, UGIES will consolidate other existing references to abnormal operating conditions that exist in its Operations Manual into this one chapter.

The second assertion PHMSA made in the October 3 Letter is that UGIES failed to meet the standard established in 49 CFR §193.2509 by failing to include provisions for coordinating with appropriate local officials in preparation of an emergency evacuation plan. UGIES concedes that, at the time of the inspection, the Company had no written procedure describing this coordination. However, UGIES has been successfully coordinating with local officials for many years by conducting regular plant tours with local first responders. In response to the verbal feedback of the PHMSA inspector at the time of the 2017 inspection, UGIES has created

two procedures embedded in work orders in its computerized maintenance management software program, called eMaintenance, that describe the coordination with local police and fire departments that occur at the plant and meet the requirements of 49 CFR §193.2509.

The third assertion PHMSA made in the October 3 Letter also relates to Emergency Procedures in 49 CFR §193.2509. PHMSA asserted that UGIES' Emergency Procedures failed to: 1) provide details of the LNG plant fire control equipment location, and quantity of units located throughout the plant; and 2) provide methods of communication and emergency control capabilities at the LNG plant. As discussed during the inspection in 2017, UGIES maintains this information in the plant's Fire Protection Manual and still feels this is an appropriate location for this information to reside. However, in order to satisfy PHMSA's concerns, UGIES agrees to incorporate the Fire Protection Manual into the Emergency Procedures Manual so that the information required by 49 CFR §193.2509 will reside in the Emergency Procedures Manual.

The fourth assertion PHMSA made in the October 3 Letter is that UGIES failed to meet the standard established in 49 CFR §193.2605(a) by failing to provide details of performance testing to demonstrate that the plant's gas detectors will activate an alarm at less than or equal to 25% LEL gas-in-air, and the frequency with which this testing is conducted. UGIES follows the gas detector manufacturer's recommendations by calibrating the equipment at 50% LEL to confirm the full range of the detector's operation. In fact, one plant operator can observe the plant's alarm display and see that the detector does alarm at 25% LEL when another operator is calibrating the detector to 50% LEL. Even so, UGIES is agreeing to write a procedure to implement a 25% LEL validation of the detector (in addition to the 50% LEL calibration) to satisfy PHMSA's concerns in this area. This procedure will dictate that the calibration process will occur quarterly and the validation testing will take place annually.

The fifth and six assertions PHMSA made in the October 3 Letter relate to monitoring and taking action on atmospheric corrosion as defined in 49 CFR §193.2605. PHMSA asserted that UGIES' Operations Manual failed to provide adequate details of support system inspections (i.e. atmospheric corrosion) and failed to provide a description of remediation activities of uncontrolled atmospheric, external, or internal corrosion. Following the inspection in 2017, UGIES developed a maintenance procedure for support system atmospheric corrosion and a procedure for the actions to be taken to remediate atmospheric, external and internal corrosion. UGIES has already incorporated this procedure into the current version of the Operations Manual for the plant.

The seventh and final assertion PHMSA made in the October 3 Letter is that UGIES failed to provide details for electrical interference testing as required in 49 CFR §193.2605. UGIES maintains that the only submerged components in the facility are parts of the fire water

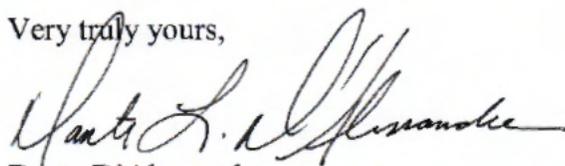
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system, the LNG tank bottom plate, and the gas pipeline that interconnects the tank with UGI Utilities. UGIES maintains that electrical interference is not a concern for the first two of these systems and UGI Utilities owns and operates the underground gas pipeline. Even so, UGIES is agreeing to conduct a site survey to evaluate the necessity of any continuous electrical interference testing for the facility. To the extent that UGIES determines that electrical interference testing is warranted on a continuing basis, UGIES will include provisions for such testing into its Operations Manual.

UGIES is in the process of memorializing the changes identified herein into the manuals for the Temple LNG Facility, and will make these revisions available to PHMSA in the future, upon request.

Please contact me at (610) 373-7999, ext. 1173 if you have any additional questions regarding this response.

Very truly yours,



Dante D'Alessandro

Vice President – Engineering and Operations