

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

October 23, 2020

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

CPF 1-2020-013-WL

Dear Mr. Hartz:

From June 10-11, 2020, 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' (UGI) construction project at the Temple Truck Rack Expansion project in Berks County, Pennsylvania.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§ 193.2719 Training: records.**
 - (a) **Each operator shall maintain a system of records which -**
 - (1) **Provide evidence that the training programs required by this subpart have been implemented; and**
 - (2) **Provide evidence that personnel have undergone and satisfactorily completed the required training programs.**

UGI failed to maintain records providing evidence that the training program required by § 193.2705(a) has been implemented and that the periodic reviews required by § 193.2705(b) have been performed.

Section 193.2705 Construction, installation, inspection, and testing states:

(a) Supervisors and other personnel utilized for construction, installation, inspection, or testing must have demonstrated their capability to perform satisfactorily the assigned function by appropriate training in the methods and equipment to be used or related experience and accomplishments.

(b) Each operator must periodically determine whether inspectors performing construction, installation, and testing duties required by this part are satisfactorily performing their assigned functions.

During the inspection, the PHMSA inspector requested records indicating that personnel used in construction, installation, inspection and testing for the project had met the qualification requirements of § 193.2705; however, UGI had no records to present.

Thus, UGI failed to maintain a system of records which provide evidence of the training programs that should have been implemented and completed as required by § 193.2719(a), and pertaining to § 193.2705.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. Also, for each violation involving LNG facilities, and additional penalty of not more than \$79,875 occurring on or after July 31, 2019 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$77,910 occurring on or after November 27, 2018 and before July 31, 2019 may be imposed. For each violation involving LNG facilities occurring on or after November 2, 2018 and before November 27, 2018, an additional penalty of not more than \$76,352 may be imposed. For each violation involving LNG facilities occurring prior to November 2, 2015, an additional penalty of not more than \$75,000 may be imposed. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in UGI Energy Services being subject to additional enforcement action.

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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-013-WL** 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.

Sincerely,

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