



May 19, 2021

Via E-Mail and Overnight Delivery

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 1-2021-017-NOA

Temple LNG Facility – Response to Notice of Amendment

Dear Mr. Burrough:

UGI Energy Services, LLC (“UGIES”) is submitting this response to the Notice of Amendment (NOA) that the Pipeline Hazardous Materials and Safety Administration (PHMSA) issued on April 19, 2021 in the above-captioned proceeding. In the NOA, PHMSA alleges that the results of a November 2020 inspection indicate that UGIES’ plans and procedures for the Temple LNG Plant in Berks County, Pennsylvania, are inadequate in certain respects. PHMSA also asks UGIES to revise its plans and procedures to address these alleged inadequacies.

Except as to Item No. 1, UGIES is not contesting the NOA and is in the process of making appropriate changes to its plans and procedures as discussed in more detail below. UGIES is not requesting a hearing for Item No. 1 but is providing a detailed written response to PHMSA’s allegations. UGIES believes that response is sufficient to demonstrate that its plans and procedures are adequate. Accordingly, UGIES is respectfully requesting that the allegation of inadequacy in Item 1 be withdrawn.

Item No. 1: PHMSA alleges that UGIES’ Operations Manual did not include details for recognizing and responding to abnormal operating conditions as required under 49 C.F.R. § 193.2503(c). UGIES is respectfully contesting that allegation and believes that its alarm monitoring and response procedures, which are described in Chapter 4 of the LNG Liquefaction Manual, Chapter 4 of the LNG Tank and Boil-Off System Manual, and Chapter 4 of the Vaporization and Sendout System Manual, adequately satisfy the applicable regulatory requirements. Each of these manuals contains a section, labeled Abnormal Operating Conditions that thoroughly discuss possible abnormal operating scenarios for the associated systems as well as resolutions to these conditions. All three of the sections also contains a subsection, entitled

“Remote Alarm Monitoring”, which discusses how abnormal operating conditions are handled when personnel are outside of the control room. UGIES respectfully submits that the plans and procedures in these manuals satisfy the requirements in 49 C.F.R. § 193.2503 and requests that PHMSA withdraw the allegation on that basis.

Item No. 2: PHMSA alleges that UGIES did not provide specific details for coordinating with officials in preparing emergency evacuation plans as required by 49 C.F.R. § 193.2509(b)(3). UGIES regularly conducts table top drills with local police and fire departments where these evacuation plans are discussed. At the time of PHMSA’s inspection of the Temple LNG Plant, the details of these drills were embedded in work orders in the eMaintenance work management software utilized by UGIES. To comply with PHMSA’s recommendation, UGIES will update its Community Emergency Response Plan to incorporate the procedures outlined in the maintenance management system, as well as ensure the procedures explicitly state that evacuation plans, including specific steps to protect the public in case of an emergency must be discussed at these drills.

Item No. 3: PHMSA alleges that UGIES did not adequately address cooperating with local officials in emergencies and evacuations requiring mutual assistance as required under 49 C.F.R. § 193.2509(b)(3). UGIES acknowledges that, at the time of the inspection, it had no written procedure describing the information to be relayed to local officials in the event of emergencies requiring mutual assistance. However, UGIES has been coordinating with local officials for many years and regularly conducts tabletop drills in which evacuations and emergencies involving mutual assistance are discussed. In order to accurately reflect that these discussions are conducted, UGIES will update its Emergency Response Procedure Base Plan to identify information that needs to be relayed to local officials in the event of an emergency or evacuation requiring mutual assistance.

Item No. 4: PHMSA alleges that UGIES did not describe in its procedures that transfer hoses must be tested once each calendar year, at intervals not exceeding 15 months, to the maximum pump pressure or relief valve setting pursuant to 49 C.F.R. § 193.2621(a). UGIES’ LNG Maintenance Manual has a procedure for testing transfer hoses; but that procedure does not list a test pressure. The test pressure is usually given in psig via the maintenance management system, and is derived from the highest pump pressure or relief valve setting. In order to clarify the origination of the test pressure given by the computerized maintenance management system, UGIES will update the LNG Maintenance Manual to reflect that transfer hoses are tested to the highest pump pressure or relief valve setting. The associated work orders will continue to list the actual test pressure in psig and will be updated, as needed, if plant modifications are made.

Item No. 5: PHMSA alleges that UGIES did not adequately address the requirements of 49 C.F.R. § 193.2635(e) in its procedure for monitoring internal corrosion. UGIES' Temple 1-LNG Maintenance Manual, specifically MP-45 Section C lists the applicability of Internal Corrosion Procedures at the Temple I plant, as well as the protection provided for those systems and how they are monitored. UGIES will update MP-45 to add clarity to the system wide monitoring approach. Procedures to conduct this monitoring are listed in MP-70 and MP-71. UGIES will correct the outdated code reference in MP-45. Additionally, UGIES will update MP-1110 in the Temple II Tank and Sendout Systems Operations Manual, to include the level of detail listed in MP-45 and MP-70 in the Temple 1-LNG Maintenance Manual.

Item No. 6: PHMSA alleges that UGIES' procedures did not adequately address the requirements of 49 C.F.R. § 193.2613 for annual capacity testing for auxiliary power sources. In response, UGIES has updated both the Temple I and Temple II Maintenance Manuals to remove the exception from Capacity Load Testing if a commercial power outage occurred in the last 12 - months. UGIES will now conduct this annual testing regardless of the presence or absence of commercial power outages.

Item No. 7: PHMSA alleges that UGIES' Temple II Tank and Sendout System Manual did not provide adequate details regarding fire protection inspection frequencies, specifically the fire protection control systems, as required by 49 C.F.R. § 193.2619(c)(2). The only automated control systems in the Temple facility are tested during the weekly fire pump tests listed in MP-79 of the Temple I-LNG Maintenance Manual. While these fire pumps are part of the common fire protection system for Temple I and Temple II, UGIES concedes that it did not reference the Temple I testing procedure in the Temple II Maintenance Manual. UGIES will update the Temple II Tank and Sendout System Operations Manual to reflect that the procedure performed by MP-79 is for equipment common to both facilities.

Item No. 8: PHMSA alleges that UGIES did not adequately address the requirements of 49 C.F.R. § 193.2623 for inspecting the Temple II LNG Storage Tank. Temple II is a concrete containment tank with annular space between the LNG storage tank and outer tank, which lines the concrete containment. This annular space contains six RTDs that constantly monitor for effectiveness of insulation and inner tank leakage via low temperature alarms. If insulation would lose effectiveness or the inner LNG tank began to leak, one of these RTDS would pick up on the low temperature and an alarm would alert UGIES' operators to the issue. UGIES believes this continuous monitoring approach goes above and beyond the requirement for periodic test or inspection. However, UGIES concedes that the continuous monitoring approach should be stated with greater specificity in the Temple II Tank and Sendout Systems Operations Manual and will update the manual accordingly. Additionally,

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in order to satisfy PHMSA's request, UGIES will add a requirement in the Tank Temperature Monitoring Section of the Temple II Tank and Sendout Operations Manual to perform a visual tank inspection whenever an alarm is received by one of the previously mentioned annular RTDs.

Finding No. 9: The ninth and final allegation of the NOA is that UGIES procedures did not adequately address the requirements of 49 CFR§193.2607(b) by not ensuring the LNG plant grounds were free from rubbish, debris, and other material which present a fire hazard. For years UGIES has been performing a monthly site clean up to ensure that the facility was clear of rubbish, debris, and other material. However, the steps for this procedure were written in a work order via the maintenance management system. In order to satisfy PHMSA's request UGIES will move these procedural steps to a new Maintenance Procedure in its Temple I- LNG Maintenance Manual.

UGIES is in the process of memorializing the changes identified herein into the manuals for the Temple LNG Facility and expects to complete these revisions within 60 days. UGIES 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,

A handwritten signature in blue ink, appearing to read "Dante D'Alessandro".

Dante D'Alessandro

Vice President – Engineering and Operations