

March 11, 2022

VIA ELECTRONIC MAIL TO: ddalessandro@ugies.com

Mr. Dante D'Alessandro
Vice President – Engineering and Operations
UGI Energy Services
1 Meridian Boulevard
Wyomissing, Pennsylvania 19610

Re: CPF No. 1-2021-017-NOA

Dear Mr. D'Alessandro:

Enclosed please find the Order Directing Amendment issued in the above-referenced case to UGI Energy Services, LLC (UGIES). It makes findings of inadequate procedures, finds that certain amended procedures provided by UGIES are adequate, and requires UGIES to amend certain portions of its procedures for the Temple LNG Plant in Reading, Pennsylvania. When the amendment of procedures has been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Order by email is complete upon transmission and acknowledgement of receipt, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Jeremy Kuhn, Manager, Pipeline Engineering & Compliance, UGIES,
jkuhn@ugies.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
UGI Energy Services, LLC,)	CPF No. 1-2021-017-NOA
)	
Respondent.)	
)	

ORDER DIRECTING AMENDMENT

From November 9, 2020 to November 18, 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, LLC’s (UGIES or Respondent) procedures and records for the Temple LNG Plant in Reading, Pennsylvania.

As a result of the inspection, the Director, Eastern Region, OPS, issued to Respondent, by letter dated April 19, 2021, a Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.206, the Notice proposed finding that certain of UGIES’s plans and procedures were inadequate to assure safe operation and proposed that Respondent amend its procedures for operations, maintenance, and emergencies.

UGIES responded to the Notice by letter dated May 19, 2021 (Response). In its Response, UGIES contested Item 1 of the Notice, but did not contest the remaining eight items. On August 6, 2021, UGIES provided amended procedures in response to Item 2 through 9 of the Notice for review and approval by the Director, Eastern Region. The company did not request a hearing and therefore waived its right to one.

FINDING OF INADEQUATE PROCEDURES

Item 1: The Notice alleged that Respondent’s procedures were inadequate with regard to 49 C.F.R. § 193.2503(c), which states:

§ 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:

- (a)
- (c) Recognizing abnormal operating conditions.

The Notice alleged that UGIES's operating procedures were inadequate for recognizing and responding to abnormal operating conditions (AOCs) with regard to § 193.2503(c). Specifically, the Notice alleged the company's procedures failed to provide adequate guidance on how UGIES personnel working outside of the control room were to recognize and respond to AOCs.

In its Response, UGIES contested this allegation of inadequacy. Specifically, UGIES stated that its written alarm monitoring and response procedures discuss possible AOC scenarios for various associated systems as well as resolutions to the AOCs identified. Further, UGIES points to subsections in its alarm monitoring procedures that discuss how to handle AOCs when personnel are outside of the control room. Based on those references, UGIES argued that its procedures are adequate for safety and satisfy the applicable regulatory requirements.

Having reviewed UGIES procedure titled "Remote Alarm Monitoring" (Procedure), I find that it lacks sufficient detail to assure safe operation with regard to § 193.2503(c). While the Procedure did include references to how personnel are to respond to certain alarms, it lacked adequate detail to clarify how operator personnel are to recognize and respond to all AOCs that would affect safety. Specifically, the Procedure failed to establish the specific types of alarms received by the remote alarm monitoring system (for example, does the remote alarm monitoring system receive all the alarms the control center receives or only certain ones), how the Gas Operations Supervisor (GSOS) conducting the monitoring should contact appropriate personnel if they are unable to contact the LNG Technician on-call, and how the remote alarm incidents are documented. Further, the Procedure did not specify under what alarm scenarios the LNG Technician should instruct the GSOS to conduct emergency shutdown (ESD). Additionally, the procedures fail to specify whether other measures must be in place to respond to the AOC when initiating ESD is not appropriate.

Accordingly, based upon a review of all the evidence, I find that Respondent's Procedure was inadequate, as alleged in the Notice, and revisions are required to include the additional information and clarifications referenced above in order to assure safety with regard to § 193.2503(c).

Item 2: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 193.2509(b)(3), which states:

§ 193.2509 Emergency procedures.

(a)

(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.

The Notice alleged that UGIES's emergency procedures were inadequate with regard to

§ 193.2509(b)(3).¹ In its Response, UGIES provided its amendments. The Director, Eastern Region, reviewed the amended procedure and concluded that the inadequacies had been corrected.

Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary with regard to this Item.

Item 3: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 193.2509(b)(4), which states:

§ 193.2509 Emergency procedures.

(a)

(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:

(1)

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

The Notice alleged that UGIES's emergency procedures were inadequate with regard to § 193.2509(b)(4). In its Response, UGIES provided its amendments. The Director, Eastern Region, reviewed the amended procedure and concluded that the inadequacies had been corrected.

Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary with regard to this Item.

Items 4 through 7: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 193.2605(b)(1), which states:

§ 193.2605 Maintenance procedures.

(a)

(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

The Notice alleged that UGIES's emergency procedures were inadequate with regard to § 193.2605(b)(1). In its Response, UGIES provided its amendments. The Director, Eastern Region, reviewed the amended procedure and concluded that the inadequacies had been corrected.

¹ It appears the Notice contained a typographical error and cited this regulation as § 193.2509(b)(1).

Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary with regard to these Items.

Item 8: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 193.2605(b)(1), which states:

§ 193.2605 Maintenance procedures.

(a)

(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

The Notice alleged that UGIES's emergency procedures were inadequate with regard to § 193.2605(b)(1). In its Response, UGIES did not contest the allegation and provided its amendments. The Director, Eastern Region, reviewed the amended procedures and found certain inadequacies still remain. Although the amendments clarified the temperature monitoring system and added a visual inspection of the outer tank if an alarm sounds, they did not contain adequate detail regarding the visual inspection requirement. In particular, the amended procedures state that a visual inspection shall be performed if an alarm is received, but do not describe the process for conducting and documenting these inspections. The amended procedures also do not include a requirement that a visual inspection of the outer tank be conducted within a specified interval of time if an alarm is not received. The procedures did not include a process for responding to issues discovered during a visual inspection. In addition, the procedures did not include requirements that temperature transmitter calibration and testing be conducted at a specified frequency and documented.

Accordingly, based upon a review of all the evidence, I find that Respondent's emergency procedures were inadequate, as alleged in the Notice, and revisions are required to include the additional information and clarifications referenced above in order to assure safety with regard to § 193.2605(b)(1).

Item 9: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 193.2605(b)(2), which states:

§ 193.2605 Maintenance procedures.

(a)

(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.

The Notice alleged that UGIES's emergency procedures were inadequate with regard to

§ 193.2605(b)(2). In its Response, UGIES provided its amendments. The Director, Eastern Region, reviewed the amended procedure and concluded that the inadequacies had been corrected.

Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary with regard to this Item.

Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206, UGIES is ordered to revise its procedures as specified in **Items 1 and 8** above. Respondent must submit the amended procedures to the Director, Eastern Region, within 30 days following receipt of this Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension. Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Order Directing Amendment to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of this Order Directing Amendment by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including required amendment to procedures, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Order Directing Amendment are effective upon service in accordance with 49 C.F.R. § 190.5.

March 11, 2022

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued