



U.S. Department
of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

July 16, 2020

Joseph L. Hartz
President
UGI Energy Services
835 Knitting Mills Way
Wyomissing, PA 19610

CPF 1-2020-1028W

Dear Mr. Hartz:

From August 5 – 15, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) performed an integrated inspection of UGI Energy Service's (UGI) records and procedures at your facilities in Meshoppen, Allentown, and Mansfield, 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. § 192.947 What records must an operator keep?

An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At minimum, an operator must maintain the following records for review during an inspection.

(a) ...

(d) Documents to support any decision, analysis, and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include those developed and used in support of any identification, calculation, amendment, modification, justification,

deviation and determination made, and any action taken to implement and evaluate any of the program elements.

UGI failed to maintain, for the useful life of the pipeline, records that support its identification of high consequence areas (HCAs).

During the inspection, the PHMSA inspector reviewed UGI's *Transmission Line Integrity Management Program*, dated 12/04/2018 (TIMP). Section 4 of the TIMP included a process for identification of HCAs, and methods of documenting how the database and GIS system used to identify HCAs is kept. The procedure stated that UGI would use Method 2 to determine HCAs. UGI had identified 4.2 miles of HCAs on this pipeline segment. The data collected to determine the HCA was to be stored in a GIS system or on pipeline alignment sheets. Section 21.1 of the TIMP required, for the life of the pipeline, that UGI would maintain "Maps used to determine HCAs", which would be either paper maps or scanned copies.

However, UGI did not provide any documentation to justify its identification of HCAs. For example, UGI did not provide records that demonstrated the use of potential impact radius (PIR) for establishing HCAs, records documenting the location of identified sites, or records that demonstrated where the potential impact circle contained an identified site. No documentation was presented to justify the HCA mileage during the inspection.

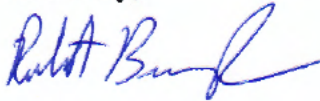
Therefore, UGI failed to maintain records that supported its HCA identification as required by § 192.947(d).

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. 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 1-2020-1028W** 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,

A handwritten signature in blue ink, appearing to read "Robert Burrough", is written over the typed name.

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