

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

October 7, 2021

Mr. Joseph Hartz
Vice President Asset Management
UGI Energy Services
1 Meridian Boulevard
Wyomissing, PA 19610

CPF 1-2021-060-NOA

Dear Mr. Hartz:

From March 29, 2021 to April 1, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected UGI Energy Services' (UGI) procedures.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within UGI's plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

UGI's emergency procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2021* (ERP), failed to state the proper frequency for conducting a review of the emergency response manual, in accordance with § 195.402(a).

During the inspection, PHMSA requested UGI's procedures regarding the emergency response plan annual review and UGI provided its ERP. The ERP failed to state that the manual must be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective. When the PHMSA inspector re-requested this information, UGI stated that it was located in the field listing the next revision date of the document. That field had the next revision date as one year from the prior revision. This does not accurately state the review requirement of § 195.402(a).

Therefore, UGI failed to include adequate details in its written procedures requiring that the manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective, in accordance with § 195.402(a). UGI must revise its procedures to specifically address this requirement.

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

UGI's procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Liquid Operations Manual Section 30.30.40 – Firefighting Equipment – Portable Fire Extinguishers, issue date 03/22/2021* (LOM Fire Procedures) failed to provide adequate details regarding firefighting equipment in accordance with § 195.430.¹

During the inspection, PHMSA requested UGI's procedures regarding firefighting equipment. UGI provided its LOM Fire Procedures. Section 3.0 of the LOM Fire Procedures stated in part:

3.1 Firefighting equipment shall be maintained on a monthly basis and be in proper operating condition at all times at each pump station and breakout tank area. This equipment consists of:

3.1.1 Various types of portable fire extinguishers

3.1.2 Spill containment materials

3.2 Firefighting equipment at pump stations and breakout tanks areas must be plainly marked so that it can be clearly identified in the event of a fire.

3.3 Firefighting equipment at pump stations and breakout tank areas will be placed in locations

¹ § 195.430 Firefighting equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be—

(a) In proper operating condition at all times;

(b) Plainly marked so that its identity as firefighting equipment is clear; and

(c) Located so that it is easily accessible during a fire.

about the facility such that it can be readily accessed during a fire. This includes the pump area as well as the inside and outside of the electrical control building.

However, the LOM Fire Procedure did not provide adequate details to assure compliance with § 195.430. For example, the LOM Fire Procedure failed to establish:

- Procedures for firefighting equipment inspections;
- The criteria for passage or failure of an inspection;
- Procedures requiring documenting the inspections on the proper inspection form – *Hickory Bend Gas Plant Company Compliance Program - MLBV Fire Extinguisher Inspection*;
- Procedures for repairing firefighting equipment if it is found not to be in proper working order at the time of the inspection.

Therefore, UGI failed to include adequate details in its written LOM Fire Procedures regarding firefighting equipment. UGI must revise its procedures to address this requirement.

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(3) *Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.*

UGI's procedures for maintenance and normal operations were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Liquid Operations Manual Section 40.20.30 – Leak Inspection and Response Plan, issue date 03/08/2021* (LOM Leak Procedures), failed to include details on evaluating the capability of its leak detection systems to protect the public, property, and the environment and modifying them as necessary to do so, in accordance with § 195.444(b).²

During the inspection, PHMSA requested UGI's procedures regarding the § 195.444(b) leak detection requirements. UGI was unable to provide a relevant section of the LOM Leak Procedures which indicated compliance with these requirements.

Therefore, UGI's procedures were inadequate regarding § 195.444(b). UGI must revise its procedures to address this evaluation requirement, which should include, at a minimum, consideration of all the factors set forth in § 195.444(b).

² § 195.444 Leak detection.

(a) ...

(b) *General.* A pipeline must have an effective system for detecting leaks in accordance with §§195.134 or 195.452, as appropriate. An operator must evaluate the capability of its leak detection system to protect the public, property, and the environment and modify it as necessary to do so. At a minimum, an operator's evaluation must consider the following factors—length and size of the pipeline, type of product carried, the swiftness of leak detection, location of nearest response personnel, and leak history.

4. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

UGI's emergency procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2021* (ERP) and *Emergency Response Plan Subpart D – Appendix E1 - 800 NGL LINE, revision date 03/23/2021* (ERP Appendix E) failed to include adequate details requiring personnel, equipment, instruments, tools, and material to be available as needed at the scene of an emergency, in accordance with § 195.402(e)(3).

During the inspection, PHMSA requested UGI's procedures regarding the §195.402(e)(3) requirements. UGI was unable to provide a relevant section of its ERP or ERP Appendix E procedures which indicated compliance with these requirements.

Therefore, UGI failed to include adequate details in its written procedures requiring personnel, equipment, instruments, tools, and material to be available as needed at the scene of an emergency, in accordance with §195.402(e)(3). UGI must revise its procedures to address this requirement.

5. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(7) Notifying fire, police, and other appropriate public officials of hazardous liquid or carbon dioxide pipeline emergencies and coordinating with them preplanned and actual responses during an emergency, including additional precautions necessary for an emergency involving a pipeline system transporting a highly volatile liquid.

UGI's emergency procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2021* (ERP) and *Emergency Response Plan Subpart D – Appendix E1 - 800 NGL LINE, revision date 03/23/2021* (ERP Appendix E) failed to contain details to notify fire, police, and other appropriate public officials of hazardous liquid pipeline emergencies and details on coordinating with them preplanned and actual responses during an emergency in accordance with § 195.402(e)(7).

During the inspection, PHMSA requested UGI's procedures regarding the § 195.402(e)(7) requirements. UGI was unable to provide a relevant section of the ERP or ERP Appendix E procedures which indicated compliance with these requirements.

Therefore, UGI failed to include adequate details in its written procedures requiring details to notify fire, police, and other appropriate public officials of hazardous liquid pipeline emergencies and coordinate with them preplanned and actual responses during an emergency, in accordance with § 195.402(e)(7). UGI must revise its procedures to address this requirement.

6. §195.403 Emergency response training.

(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:

(1) Carry out the emergency procedures established under 195.402 that relate to their assignments;

(2) Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in case of flammable HVL, flammability of mixtures with air, odorless vapors, and water reactions;

(3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids or carbon dioxide spills, and take appropriate corrective action;

(4) Take steps necessary to control any accidental release of hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage; and

(5) Learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition.

UGI's emergency procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2020* (ERP) failed to contain adequate details to establish and conduct a training program to instruct emergency response personnel to meet the requirements of § 195.403(a).

During the inspection, PHMSA requested UGI's procedures regarding emergency response training. UGI provided its *Training Course Outline – Emergency Response Operations, revision date 03/05/21* (Training Record). This Training Record was not linked or referenced to the ERP Manual. Furthermore, the Training Record did not correspond to or outline any details regarding a training procedure.

Therefore, UGI failed to include adequate details in its written procedures to establish and conduct a training program to instruct emergency response personnel, in accordance with § 195.403(a). UGI must revise its procedures to address this requirement.

7. § 195.403 Emergency response training.

(a) ...

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and

(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.

UGI's emergency procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2020* (ERP) failed to state that it shall, at intervals not exceeding 15 months, but at least once each calendar year, review with personnel their performance in meeting the objectives of the emergency response training program and make appropriate changes to the emergency response training program as necessary to ensure that it is effective in accordance with the requirements of § 195.403(b).

During the inspection, PHMSA requested UGI's procedures regarding emergency response training review and update frequencies relative to § 195.403(b). UGI was unable to provide a relevant section of the ERP procedures which indicated compliance with these requirements.

Therefore, UGI failed to include adequate details in its written procedures for complying with the requirements of § 195.403(b). UGI must revise its procedures to address these requirements.

8. § 195.403 Emergency response training.

(a) ...

(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.

UGI's procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Asset Emergency Response Plan - Base Plan, revision date 03/03/2020* (ERP) failed to establish a continuing training program that includes provisions to require and verify that supervisors be knowledgeable of emergency response procedures for which they are responsible, in accordance with the requirements of § 195.403(c).

During the inspection, PHMSA requested UGI's procedures regarding emergency response supervisor training. UGI was unable to provide a relevant section of the ERP which indicated compliance with this requirement. UGI stated that training is verified through completion of a test. However, this is not contained in the procedure.

Therefore, UGI failed to establish a continuing training program that includes provisions to require and verify that supervisors are knowledgeable of emergency response procedures for which they are responsible, in accordance with § 195.403(c). UGI must revise its procedures to address this requirement.

9. § 195.452 Pipeline integrity management in high consequence areas.

(a) ...

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) ...

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);

UGI's integrity management program procedures were inadequate to assure safe operation of a pipeline facility. Specifically, UGI's *Liquid Operations Manual – Integrity Management Program*, issue date 3/23/21 (LOM IMP) failed to include details to notify PHMSA if it believes that 180 days are impracticable to make a determination about a condition found during an assessment in accordance with § 195.452(h)(2).³

During the inspection, PHMSA requested UGI's procedure regarding the § 195.452(h)(2) requirements. UGI was unable to provide a relevant section of the LOM IMP. UGI stated that this information is not included in the procedure because they do not give the option to exceed the 180-day requirement. Although this may be true, there may be times when UGI exceeds the 180-day requirement due to unforeseeable circumstances or for other reasons, in which case it must give notice to PHMSA. Therefore, the reporting requirement must be included in its written procedures, despite how rarely the company intends to use it.

UGI must revise its procedures to address this requirement.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement Proceedings.

³ § 195.452 Pipeline integrity management in high consequence areas.

(a) ...

(h) What actions must an operator take to address integrity issues?

(1) ...

(2) *Discovery of condition.* Discovery of a condition occurs when an operator has adequate information to determine that a condition presenting a potential threat to the integrity of the pipeline exists. An operator must promptly, but no later than 180 days after an assessment, obtain sufficient information about a condition to make that determination, unless the operator can demonstrate the 180-day interval is impracticable. If the operator believes that 180 days are impracticable to make a determination about a condition found during an assessment, the pipeline operator must notify PHMSA in accordance with paragraph (m) of this section and provide an expected date when adequate information will become available.

Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that UGI Energy Services maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2021-060-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. 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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings