

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: jhartz@ugies.com

May 8, 2025

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

CPF 4-2025-006-NOA

Dear Mr. Hartz:

From May 6 to May 8, 2024, of the on-site inspection, 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's¹ (UGI) procedures for operating and maintaining its Temple liquefied natural gas (LNG) facility in Reading, Pennsylvania.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within UGI's plans or procedures. The items inspected and the inadequacies are described below:

1. § 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 procedures must include:

(1)

(c) Each operator shall include in the manual required by paragraph (b) of this section instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 of this subchapter.

¹ UGI is a wholly owned subsidiary of UGI Corporation.

UGI's written procedures for conducting maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2605(c). Specifically, UGI's procedures, *Temple I - LNG Maintenance Manual, 009-11-MP-001001* (Rev. 21; June, 13 2024) and *Temple II Tank and Sendout System Operations Manual, 168281-000-02-MA-000002* (Rev. 13; June 13, 2024), failed to provide instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23.

UGI must revise its procedures to include operator- and facility-specific instructions to assist personnel who perform operation and maintenance activities in recognizing conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23.

2. § 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 procedures must include:

§ 193.2617 Repairs.

(a) Repair work on components must be performed and tested in a manner which:

(1) As far as practicable, complies with the applicable requirements of Subpart D of this part; and

(2) Assures the integrity and operational safety of the component being repaired.

(b) For repairs made while a component is operating, each operator shall include in the maintenance procedures under § 193.2605 appropriate precautions to maintain the safety of personnel and property during repair activities.

UGI's manuals of written procedures for the maintenance of each component were inadequate assure safety during repairs in accordance with § 193.2617. Specifically, UGI's procedures, *Temple I - LNG Maintenance Manual, 009-11-MP-001001* (Rev. 21; June, 13 2024) and *Temple II Tank and Sendout System Operations Manual, 168281-000-02-MA-000002* (Rev. 13; June 13, 2024), failed to require that repair work on components be performed and tested in a manner which, as far as practicable, complies with the applicable requirements of Part 193, Subpart D, in accordance with § 193.2617(a)(1). In addition, UGI's procedures failed to assure the integrity and operational safety of the component being repaired in accordance with § 193.2617(a)(2). UGI's procedures also failed to include appropriate precautions to maintain the safety of personnel and property for repairs made while a component is operating in accordance with § 193.2617(b).

UGI must revise its procedures to include operator- and facility-specific instructions for conducting repairs in accordance with the requirements of § 193.2617.

3. **§ 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 procedures must include:

§ 193.2619 Control systems.

(a) Each control system must be properly adjusted to operate within design limits.

(b) If a control system is out of service for 30 days or more, it must be inspected and tested for operational capability before returning it to service.

(c) Control systems in service, but not normally in operation, such as relief valves and automatic shutdown devices, and control systems for internal shutoff valves for bottom penetration tanks must be inspected and tested once each calendar year, not exceeding 15 months, with the following exceptions:

(1) Control systems used seasonally, such as for liquefaction or vaporization, must be inspected and tested before use each season.

(2) Control systems that are intended for fire protection must be inspected and tested at regular intervals not to exceed 6 months.

(d) Control systems that are normally in operation, such as required by a base load system, must be inspected and tested once each calendar year but with intervals not exceeding 15 months.

(e) Relief valves must be inspected and tested for verification of the valve seat lifting pressure and reseating.

UGI's manuals of written procedures for the maintenance of each component were inadequate to assure safety during maintenance on control systems in accordance with § 193.2619. Specifically, the maintenance schedules in UGI's procedures, *Temple I - LNG Maintenance Manual, 009-11-MP-001001* (Rev. 21; June, 13 2024) and *Temple II Tank and Sendout System Operations Manual, 168281-000-02-MA-000002* (Rev. 13; June 13, 2024), failed to identify which components are control systems and therefore also failed to identify which control systems are intended for fire protection.

UGI must revise its procedures to identify which components are control systems and the requisite inspection interval in accordance with § 193.2619.

4. § 193.2717 Training: fire protection.

(a) All personnel involved in maintenance and operations of an LNG plant, including their immediate supervisors, must be trained according to a written plan of initial instruction, including plant fire drills, to:

UGI's written plan of initial instruction, including plant fire drills, for conducting fire protection training were inadequate to assure safe operation of a pipeline facility in accordance with § 193.2717(a). Specifically, UGI's procedure, *LNG Personnel Qualifications And Training Manual* (Rev. 1, May 29, 2024), failed to require that "[all] personnel involved in maintenance and operations of an LNG plant, including their immediate supervisors," receive fire protection training.

UGI must revise its written plan of initial instruction to ensure that "[all] personnel involved in maintenance and operations of an LNG plant, including their immediate supervisors" are trained in fire protection in accordance with § 193.2717(a).

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.

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 **60** 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 maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **4-2025-006-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*

cc: Alexander Bohr, Senior Supervisor – Compliance Engineering, aboehr@ugies.com