



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

November 28, 2012

VIA ELECTRONIC FILING

Rosemary Chiavetta
Pa. Public Utility Commission
2nd Floor, 400 North Street
P.O. Box 3265
Harrisburg, PA 17105

Re: Pennsylvania Public Utility Commission, Bureau of Investigation and
Enforcement v. UGI Utilities, Inc.; Docket No. C-2012

Dear Secretary Chiavetta:

Enclosed for filing is the Formal Complaint, along with the electronic filing confirmation page, on behalf of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission in the above-referenced case. Copies have been served on the parties of record in accordance with the Certificate of Service.

If you have any questions on this matter, please call me at 717-214-9594.

Sincerely,

A handwritten signature in blue ink that reads "Heidi L. Wushinske".

Heidi L. Wushinske
Prosecuting Attorney
Attorney ID No. 93792

Counsel for the Bureau of
Investigation and Enforcement

Enclosures

cc: As per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2012-
	:	
UGI Utilities, Inc.,	:	
Respondent	:	

FORMAL COMPLAINT

NOW COMES the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement (“I&E”), by its counsel, pursuant to Section 701 of the Public Utility Code, 66 Pa. C.S. §701, and files this Formal Complaint against UGI Utilities Inc., (“UGI,” “Company” or “Respondent”), alleging violations of the Pennsylvania Code, Public Utility Code. In support of its Formal Complaint, I&E respectfully represents the following:

Parties and Jurisdiction

1. The Pennsylvania Public Utility Commission (“PUC” or “Commission”), with a mailing address of P.O. Box 3265, Harrisburg, PA, 17105-3265, is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate public utilities within the Commonwealth pursuant to the Public Utility Code, 66 Pa.C.S. §§101, *et seq.*
2. Complainant is the Commission’s Bureau of Investigation and Enforcement and is the entity established by statute to prosecute complaints against public utilities pursuant to 66 Pa. C.S. §308.2(a)(11). Complainant’s counsel are as follows:

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3. Respondent is UGI Utilities, Inc., a natural gas utility with offices located at 460 North Gulph Road, King of Prussia PA 19406, Attention: Kent D. Murphy, Group Counsel.
4. UGI is a “public utility” as that term is defined at 66 Pa. C.S. §102,¹ as it is engaged in providing public utility service as a natural gas distribution company to the public for compensation.
5. Section 501(a) of the Public Utility Code, 66 Pa. C.S. §501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Public Utility Code.
6. Section 701 of the Public Utility Code, 66 Pa. C.S. §701, authorizes the Commission, *inter alia*, to hear and determine complaints against public utilities for a violation of any law or regulation that the Commission has jurisdiction to administer.

¹ At 66 Pa. C.S. §102, “Public utility” is defined under that term at subsection (1)(i) as:

- (1) Any person or corporation now or hereafter owning or operating in this Commonwealth equipment or facilities for:
 - (i) Producing, generating, transmitting, distributing or furnishing natural or artificial gas, electricity, or steam for the production of light, heat, or power to or for the public for compensation.

8. Section 3301 of the Public Utility Code, 66 Pa. C.S. §3301, authorizes the Commission to impose civil penalties on any public utility, or any other person or corporation subject to the Commission's authority, for violation(s) of the Public Utility Code and/or Commission regulations. Section 3301 further allows for the imposition of a separate fine for each day's continuance of such violation(s).
9. Respondent, in providing gas distribution service for compensation, is subject to the power and authority of this Commission pursuant to Section 501(c) of the Public Utility Code, 66 Pa. C.S. §501(c), which requires a public utility to comply with Commission orders.
10. Pursuant to the Commission's regulations at 52 Pa. Code § 59.33(b), the Commission's Gas Safety Division, which is part of I&E, also has the authority to enforce the federal gas pipeline safety regulations, set forth in 49 U.S.C.A. §§ 60101, *et seq.*, and implemented in 49 C.F.R. Parts 191-193 and 199, 49 CFR §§ 191-193, 199.
11. Pursuant to the provisions of the applicable Commonwealth and federal statutes and regulations, the Commission has jurisdiction over the subject matter of this complaint and the actions of Respondent related thereto.

Background

12. After conducting an investigation, I&E submits that the following is a sequence of events that occurred at 36 Penn Ridge Avenue, Mountville, Pennsylvania:
 - a.) On August 6, 2009, at Penn Ridge Avenue, Mountville, Pennsylvania, Commission Gas Safety engineer Andrew Geibel observed UGI excavate a plastic tee. The excavation was related to an investigation in which UGI and the Commission's Gas Safety Division are participating to determine whether UGI has a tapping tee issue.
 - b.) At approximately 2:00 pm, UGI was excavating with a backhoe bucket to expose a Perfection Plastic Mechanical Tapping Tee. The backhoe bucket struck the tapping tee and subsequently damaged the tapping tee resulting in the failure of the distribution main and a release of natural gas.
 - c.) The natural gas pressure at the time of the distribution main failure was 60 pounds per square inch. Two UGI work crew members entered the excavation pit. Mr. Geibel witnessed the UGI work crew members entering the excavation pit: (1) without properly grounding themselves, (2) wearing

only fire retardant overalls, (3) without wearing breathing apparatus, and (4) without fire retardant gloves, goggles, or hood.

d.) Starting at 2:00 pm, UGI continued excavation to expose the tee. The UGI work crew began to squeeze off the distribution main, but stopped when the gas flow began to slow and they became concerned about customer outages due to reduced flow. At this time, the UGI foreman discovered that the distribution main was a one way feed. At 2:15 pm the UGI foreman called the UGI dispatch to inform dispatch of the facility damage.

e.) At 2:28 pm, UGI performed a make-shift repair by inserting a wood plug into the hole where the mechanical tee had failed.

f.) At 3:00 pm, Commission Gas Safety Engineer Robert Biggard arrived on site.

g.) At 3:30 pm, UGI's pipeline locator arrived to assist in locating valves.

h.) At 3:45 pm, a UGI field supervisor arrived on the scene to coordinate the distribution main shut down and repair.

i.) At 4:10 pm, the distribution main was squeezed off by UGI. The squeeze off occurred in the same excavation pit as the facility damage.

j.) Sometime after the distribution main was squeezed off, UGI located the distribution main valve. This valve was not turned to the closed position due to UGI's concern regarding the loss of gas to approximately 33 customers.

k.) At 5:25 pm, an electro-fusion tee was installed where the facility damage occurred.

l.) At 6:10 pm, UGI had restored gas service to most of the 33 customers experiencing an outage.

m.) There were no injuries resulting from the damaged facility and escaping gas.

Violations

COUNT ONE

13. UGI failed to establish written procedures to minimize the hazard resulting from a gas pipeline emergency and, in so doing, failed to protect the public from danger in that the Company had no procedures to provide for an emergency shutdown and pressure reduction in this section of its procedures manual to minimize hazards to life or property.

This is a violation of 49 CFR 192.615 (a) (6) and 52 Pa. Code §59.33(a).

COUNT TWO

14. UGI failed to make safe a potential hazard to life and protect people first and then property and, in so doing, failed to protect the public from danger in that the Company did not protect the public by closing off the nearest valve.

This is a violation of 49 CFR 192.615 (a) (5) and 52 Pa. Code §59.33(a).

COUNT THREE

15. UGI failed to exercise reasonable care to reduce hazards to which its customers and others may be subjected in that the Company did not excavate prudently near its own pipeline facilities.

This is a violation of 52 Pa. Code §59.33(a).

COUNT FOUR

16. UGI Failed to follow its own established procedures and failed to exercise reasonable care to reduce hazards to which its customers and others may be subjected in that the Company failed to call 911 after damaging their own facility, and failed to comply with Pa One Call requirements.

This is a violation of 49 CFR 192.13(c) and 52 Pa. Code §59.33(a).

COUNT FIVE

17. UGI failed to establish written procedures to minimize the hazard resulting from a gas pipeline emergency and, in so doing, failed to protect the public from danger

in that UGI's Procedures manual does not contain detailed procedures relating to actions needed to be performed during blowing gas situations.
This is a violation of 49 CFR 192.615 and 52 Pa. Code §59.33(a).

COUNT SIX

18. UGI failed to take steps to minimize the danger of accidental ignition of gas when a hazardous amount of gas was being vented into open air and, in so doing, failed to protect the public from danger in that the Company continued to excavate while blowing gas flowed from the failed pipeline section.

This is a violation of 49 CFR 192.751(a) and 52 Pa. Code §59.33(a).

RELIEF REQUESTED:

19. Based on the foregoing allegations, the Bureau of Investigation and Enforcement hereby requests the following relief:

a.) UGI be ordered to pay a civil penalty of up to \$50,000.00 for the violations alleged herein. Such civil penalties are pursuant to the provisions of 66 Pa. C.S. § 3301 and the Company may not claim or include any portion of this penalty for recovery in future ratemaking proceedings;

b.) UGI be ordered to retrain work crews regarding emergency procedures, including lessons for first responder practices and the use of proper PPE during an emergency;

c.) UGI be ordered to modify its procedures to include a section related to "blowing gas;"

d.) UGI be ordered to implement a Crew Job Plan process as part of its revised Excavation Safety Program. Included in this document shall be a requirement to confirm the location and access to valves that would isolate the line section in the event of an emergency situation;

e.) UGI be ordered to include in its procedures manual some language that requires the work crews to notify dispatch to request support and to call 911 if a pipeline is subject to an uncontrolled escape of gas;

f.) UGI be ordered to hold two one-day educational sessions within one

year of this Complaint at a central location for any small systems operators identified by the PUC. These educational sessions will be based upon UGI Standard Training modules and may include plastic fusion, leak surveying and patrolling, line locating, main repairs, taking odor samples, performing regular maintenance, or maintaining a cathodically protected gas pipeline system.

g.) Grant such other relief as the Commission deems just and reasonable.

Respectfully submitted,



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Wayne T. Scott
First Deputy Chief Prosecutor
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Bureau of Investigation and Enforcement

Date: November 28, 2012

SERVICE BY FIRST CLASS MAIL POSTAGE PREPAID

Notification by first class mail addressed as follows:

Kent D. Murphy, Esq,
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Dated: November 28, 2012