



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

October 4, 2018

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, Bureau of Investigation  
and Enforcement v. UGI Utilities, Inc.  
Docket No. C-2018-  
**I&E Formal Complaint (Proprietary and Non-Proprietary  
Versions)**

Dear Secretary Chiavetta:

Enclosed for paper filing please find the original of the Proprietary Version of the Formal Complaint on behalf of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission in the above referenced case. A Non-Proprietary Version of the Formal Complaint has also been electronically filed in this matter.

Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

A handwritten signature in black ink, appearing to read "SMW", is written over a horizontal line.

Stephanie M. Wimer  
Senior Prosecutor  
PA Attorney ID No. 207522

Enclosures

cc: As per Certificate of Service

Pennsylvania Public Utility	:	
Commission, Bureau of	:	
Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2018-
	:	
UGI Utilities, Inc.,	:	
Respondent	:	

**NOTICE**

A. You must file an Answer within twenty (20) days of the date of service of this Complaint. The date of service is the mailing date as indicated at the top of the Secretarial Letter. See 52 Pa. Code § 1.56(a). The Answer must raise all factual and legal arguments that you wish to claim in your defense, include the docket number of this Complaint, and be verified. You may file your Answer by mailing an original to:

Rosemary Chiavetta, Secretary  
 Pennsylvania Public Utility Commission  
 P.O. Box 3265  
 Harrisburg, Pennsylvania 17105-3265

Or, you may eFile your Answer using the Commission’s website at [www.puc.pa.gov](http://www.puc.pa.gov). The link to eFiling is located under the Filing & Resources tab on the homepage. If your Answer is 250 pages or less, you are not required to file a paper copy. If your Answer exceeds 250 pages, you must file a paper copy with the Secretary’s Bureau.

**Additionally, please serve a copy on:**

Stephanie M. Wimer, Senior Prosecutor  
 Pennsylvania Public Utility Commission  
 Bureau of Investigation and Enforcement  
 P.O. Box 3265  
 Harrisburg, PA 17105-3265  
[stwimer@pa.gov](mailto:stwimer@pa.gov)

B. If you fail to answer this Complaint within twenty (20) days, the Bureau of Investigation and Enforcement will request that the Commission issue an Order imposing the civil penalty and other requested relief.

C. You may elect not to contest this Complaint by paying the civil penalty within twenty (20) days and performing the corrective actions set forth in the requested relief. A certified check, cashier's check or money order should be payable to the "Commonwealth of Pennsylvania" and mailed to:

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

Your payment is an admission that you committed the alleged violations and an agreement to cease and desist from committing further violations. Upon receipt of your payment, the Complaint proceeding shall be closed.

D. If you file an Answer, which either admits or fails to deny the allegations of the Complaint, the Bureau of Investigation and Enforcement will request the Commission to issue an Order imposing the civil penalty and granting the requested relief as set forth in the Complaint.

E. If you file an Answer which contests the Complaint, the matter will proceed before the assigned presiding Administrative Law Judge for hearing and decision. The Judge is not bound by the penalty set forth in the Complaint, and may impose additional and/or alternative penalties as appropriate.

F. If you are a corporation, you must be represented by legal counsel. 52 Pa. Code § 1.21.

G. Alternative formats of this material are available for persons with disabilities by contacting the Commission's ADA Coordinator at (717) 787-8714.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility	:	
Commission, Bureau of	:	
Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2018-
	:	
UGI Utilities, Inc.,	:	
Respondent	:	

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**FORMAL COMPLAINT  
(NON-PROPRIETARY VERSION)**

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NOW COMES the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission, by its prosecuting attorneys, pursuant to Section 701 of the Public Utility Code, 66 Pa.C.S. § 701, and files this Formal Complaint (“Complaint”) against UGI Utilities, Inc. (“UGI,” “Company” or “Respondent”) alleging violations of the Pennsylvania Code and Code of Federal Regulations in connection with a fatal natural gas explosion that occurred on July 2, 2017, in the Springdale Farms residential development in Millersville, Lancaster County, Pennsylvania. In support of its Complaint, I&E respectfully avers as follows:

**I. Commission Jurisdiction and Authority**

1. The Pennsylvania Public Utility Commission (“Commission” or “PUC”), 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.* (“Code”).

2. Complainant is the Commission’s Bureau of Investigation and Enforcement, which is the bureau established to take enforcement actions against public utilities and other entities subject to the Commission’s jurisdiction pursuant to 66 Pa.C.S. § 308.2(a)(11); *See also Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (August 11, 2011) (delegating authority to initiate proceedings that are prosecutory in nature to I&E).

3. Complainant’s prosecuting attorneys are as follows:

Stephanie M. Wimer  
Senior Prosecutor  
[stwimer@pa.gov](mailto:stwimer@pa.gov)  
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Timothy K. McHugh  
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Deputy Chief Prosecutor  
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Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

4. Respondent is UGI Utilities, Inc., a natural gas utility with a main mailing address of 2525 North 12<sup>th</sup> Street, Suite 360, Reading, PA 19612, Attention: Robert F. Beard, President.

5. UGI is a “public utility” as that term is defined at 66 Pa.C.S. § 102,<sup>1</sup> as it is engaged in providing public utility service as a natural gas distribution company (“NGDC”) to the public for compensation.

6. Section 501(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.

7. Section 701 of the Code, 66 Pa.C.S. § 701, authorizes the Commission, *inter alia*, to hear and determine complaints against public utilities for violations of any law or regulation that the Commission has jurisdiction to administer or enforce.

8. Section 3301(c) of the Code, 66 Pa.C.S. § 3301(c), which is specific to gas pipeline safety violations, authorizes the Commission to impose civil penalties on any person or corporation, defined as a public utility, who violates any provisions of the Code or any regulation or order issued thereunder governing the safety of pipeline or conduit facilities in the transportation of natural gas, flammable gas, or gas which is toxic or corrosive. Section 3301(c) further provides that a civil penalty of up to Two Hundred Thousand Dollars (\$200,000) per violation for each day that the violation persists may be

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<sup>1</sup> At 66 Pa.C.S. § 102, “Public utility” is defined under that term at subsection (1)(i) as:  
(1) Any person or corporations 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.

imposed, except that for any related series of violations, the maximum civil penalty shall not exceed Two Million Dollars (\$2,000,000) or the penalty amount provided under Federal pipeline safety laws, whichever is greater.

9. Civil penalties for violations of Federal pipeline safety laws and regulations are adjusted annually to account for changes in inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Pub. L. 114-74, § 701, 129 Stat. 599, 28 U.S.C. § 2461 note (Nov. 2, 2015) (amending the Federal Civil Penalties Inflation Adjustment Act of 1990). The most recent adjustment made by the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA") occurred in April of 2017 and revises the maximum civil penalty to Two Hundred Nine Thousand, Two Dollars (\$209,002) for each violation for each day the violation continues, with a maximum penalty not to exceed Two Million, Ninety Thousand, Twenty-Two Dollars (\$2,090,022) for a related series of violations. 82 Fed. Reg. 19325 (April 27, 2017).

10. Pursuant to Section 59.33(b) of the Commission's regulations, 52 Pa. Code § 59.33(b), I&E's Safety Division has the authority to enforce Federal pipeline safety laws and regulations set forth in 49 U.S.C.A. §§ 60101-60503 and as implemented at 49 CFR Parts 191-193, 195 and 199. The federal pipeline safety laws and regulations proscribe the minimum safety standards for all natural gas and hazardous liquid public utilities in the Commonwealth.

11. Respondent, in providing natural gas distribution service to the public for compensation, is subject to the power and authority of this Commission pursuant to

Section 501(c) of the Code, 66 Pa.C.S. § 501(c), which requires a public utility to comply with Commission regulations and orders, including Federal pipeline safety laws and regulations.

12. 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.

## **II. Background**

13. On July 2, 2017, at 12:31 PM, a natural gas explosion occurred at 206 Springdale Lane, Millersville, PA 17551, a home in the Springdale Farms residential development. Three (3) UGI employees were on site at the time of the explosion. One UGI employee died and the other two (2) UGI employees sustained non-life threatening injuries, with one (1) requiring in-patient hospitalization. A Lancaster Area Sewer Authority (“LASA”) employee who was also on site was injured in the blast and hospitalized.

14. The explosion demolished the entire residential structure at 206 Springdale Lane and caused severe damage to neighboring homes, two (2) of which located at 201 and 202 Springdale Drive were condemned for demolition. Pursuant to the incident report submitted by UGI to PHMSA on August 1, 2017, the Company estimated property damages to be \$1,300,000.

15. Pipeline Safety Inspectors from I&E’s Safety Division responded to the



scene and conducted an investigation.<sup>2</sup> The following background consists of a summary of the findings of the I&E Safety Division's investigation.

**A. The Distribution System**

16. UGI's distribution system in Springdale Farms consists of a plastic main with plastic service lines. The main at the location of the explosion was two (2) inches in diameter and made of polyethylene. The service line was one-half (½) inch in diameter and also made of polyethylene. UGI installed the main on August 7, 1995, and installed the service line to 206 Springdale Lane on June 23, 1998.

17. UGI connected the main in front of 206 Springdale Lane to the service line using a mechanical tapping tee assembly, which had been in service for nineteen (19) years when the incident occurred. The tapping tee assembly consisted of an upper half and lower half that was joined together around the outside of the main by four (4) nylon bolts.

18. At the time of the explosion, the distribution system was operating at a pressure of 54 pounds per square inch gauge ("psig").

**B. Chronology of Events on the Day of the Incident**

19. At 10:26 AM on July 2, 2017, the UGI Call Center received an odor complaint from a resident of the Springdale Farms development who was walking along the sidewalk at 202 Springdale Lane, which was located next door to 206 Springdale Lane. The residences were located at the end of the Springdale Lane cul-de-sac.

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<sup>2</sup> The National Transportation Safety Board ("NTSB") also conducted an investigation of this incident pursuant to its authority set forth in 49 U.S.C.A. § 1131(D).

20. UGI dispatched an emergency order to UGI's First Responder on-call at the time, [REDACTED] ("First Responder").<sup>3</sup>

21. At 11:00 AM, the First Responder arrived at 202 Springdale Lane and began an outside odor investigation utilizing leak detection equipment.

22. The First Responder detected gas from test holes in various locations along the curb and near the foundation in front of 206 Springdale Lane, as well as in the nearby sewer.

23. The First Responder classified the leak as a "C" leak, which is UGI's classification for a hazardous leak. The First Responder identified gas readings of 98% gas-in-air over the service line connection to the main (the tapping tee) and 80% gas-in-air in the sewer. These readings were twenty (20) times UGI's threshold of a hazardous leak.

24. At 11:18 AM, the First Responder contacted UGI Duty Supervisor [REDACTED] [REDACTED] ("Duty Supervisor") to advise the Duty Supervisor of the situation and to request additional personnel.

25. At 11:20 AM, the Duty Supervisor contacted UGI's dispatch and requested that an emergency locate request be made to the Pennsylvania One Call System, Inc. ("POCS"). Such request was made and POCS serial number 20171830054 was transmitted to POCS members at 11:27 AM indicating that the type of work to be performed was to "repair [a] gas leak."

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<sup>3</sup> The names of the UGI employees have been redacted in the Non-Proprietary Version, of the Complaint.

26. After speaking to UGI's dispatch, the Duty Supervisor attempted to contact UGI's Lancaster on-call crew, which included UGI Construction and Maintenance Mechanic ("CMM") [REDACTED] ("CMM1"), another mechanic and a backhoe operator. The other mechanic and backhoe operator did not immediately report to the scene and had to be contacted more than once, however, CMM1 responded to the Duty Supervisor's call.

27. After speaking to the Duty Supervisor, the First Responder knocked on the door to 206 Springdale Lane, but no one answered. The First Responder then proceeded to 202 Springdale Lane and was permitted inside by one of the residents. He checked the interior of the home at various places with leak detection equipment and detected "10 to 11." It is unclear what this reading measured, but it likely was a reading of the lower explosive level ("LEL"). The First Responder did not enter the basement to search for the gas leak. The First Responder advised the residents that it was safe to remain indoors.

28. At 11:31 AM, the First Responder contacted the UGI dispatcher to report that he could not gain entry to 206 Springdale Lane.

29. Around 11:43 AM, the First Responder and CMM [REDACTED] ("CMM2"), another UGI mechanic who was on-call, had a telephone conversation where the First Responder apprised CMM2 of the gas readings and indicated that he was in need of assistance.

30. Multiple phone calls took place around this time between the on-call UGI employees. At 11:50 AM, the Duty Supervisor contacted an on-call back-hoe operator and two (2) minutes later, he called CMM2. At 11:53 AM, the First Responder called

CMM2. Later that minute, the First Responder called the Duty Supervisor twice before speaking to him for two (2) minutes.

31. At 11:55 AM, the resident at 206 Springdale Lane allowed the First Responder inside of the home. The First Responder detected 11% gas-in-air inside the home on the first and second floors and instructed the resident to ventilate by opening windows and doors. The First Responder also instructed the resident to evacuate the premises.

32. At 12:04 PM, the Duty Supervisor and an engineer from UGI's Middletown office had a five (5) minute-long telephone conversation where they discussed the procedure for purging gas during a "squeeze off." A "squeeze off" is the use of a mechanical device to pinch the gas line, which shuts the main and reduces or stops the flow of gas. "Squeezing off" is a method used in lieu of shutting off the closest valve on a one-way feed to stop the flow of gas. In this instance, the closest valve was located at Burr Oak Drive and Springdale Lane, which was approximately 870 feet from 206 Springdale Lane. Shutting off this valve would have shut off gas to all of the customers on the block. Had the valve shut off procedure been used, the on-call UGI employees would have been required to turn the gas back on at each residence individually, after the leak was controlled and the closed valve had been reopened. This is a time-consuming process that would have kept the on-call UGI employees working for several hours during a holiday weekend.

33. At 12:05 PM, a minor child residing at 202 Springdale Lane asked the First Responder whether it was safe to remain inside the home. The First Responder reassured

him that it was safe to remain inside.

34. At 12:07 PM, a LASA employee arrived and reported being able to smell the odor of gas.

35. At 12:09 PM, the First Responder manually opened the garage door of 206 Springdale Lane. The resident of 206 Springdale Lane started her car and partially drove outside before parking her car in the garage again. She ran inside for something she had forgotten. Also at 12:09 PM, CMM1 spoke to another UGI mechanic who was on-call but not yet at the scene.

36. At 12:11 PM, the Duty Supervisor arrived. Around this time, the resident of 206 Springdale Lane re-entered her car, started it, drove out of the garage and left the area.

37. At 12:14 PM, the Duty Supervisor called UGI's dispatcher to request assistance from the fire department. The dispatcher called Lancaster County 911, which contacted the Manor Township Fire Department about a gas leak at 206 Springdale Lane.

38. Around this time, CMM1 arrived at the scene and assisted the Duty Supervisor by hand digging upstream of the service tee and over the distribution main to excavate a hole for the "squeeze off" tool.

39. Between approximately 12:14 PM and 12:20 PM, the First Responder disassembled the meter set at 206 Springdale Lane to prepare for the "squeeze off."

40. At 12:23 PM, the Manor Township dispatcher alarmed fire engines about a gas leak at 206 Springdale Lane.

41. At 12:27 PM, Manor Township Engine 905 arrived and parked in front of

187 Springdale Lane. The Duty Supervisor advised the fire chief that gas was inside of the residence at 206 Springdale Lane and that intrinsically safe fans were needed.

42. At approximately 12:28 PM, a neighbor photographed the activity in front of 206 Springdale Lane showing the positions of the UGI employees and emergency personnel. The First Responder appeared to be walking towards the residence's meter set. CMM1 was digging with a shovel in front of 206 Springdale Lane while the Duty Supervisor was located in front of CMM1's truck that was parked on the street. Two (2) firefighters were walking with fire hoses.

43. At 12:29 PM, the fire chief transmitted that the firefighters had stretched out the hoses and that UGI was hand digging, using a shovel and an air lance, on an active gas leak.

44. Two (2) minutes later, at 12:31 PM, a massive explosion destroyed 206 Springdale Lane, fatally injuring the First Responder, who was at or near the residence's meter set. The Duty Supervisor and CMM1 were injured and were discovered under debris near CMM1's UGI truck. The LASA employee, who had his back turned away from the explosion near the sewer's manhole, also sustained injuries.

45. In addition to demolishing the residence at 206 Springdale Lane, the explosion damaged four (4) other homes, two (2) of which were condemned, including 202 Springdale Lane. Multiple vehicles also sustained damage, including UGI's truck, LASA's vehicle and other vehicles parked in the neighborhood.

46. At 12:34 PM, the fire chief notified Lancaster County 911 of the explosion and indicated that two (2) UGI employees were buried in the rubble while the fire chief

was trying to account for the third UGI employee. At 12:38 PM, the fire chief transmitted to his firefighters that, "I don't believe UGI has the gas secure, that's what they were attempting to do, so we still have an active gas leak." The fire chief established a hazard zone of approximately 200 feet from 206 Springdale Lane.

47. At 12:39 PM, CMM2, who was at or near Springdale Lane, witnessed the explosion and notified the UGI dispatcher. The UGI dispatcher began UGI's emergency notification process by contacting key management personnel.

48. At 12:44 PM, CMM2 and emergency medical service ("EMS") personnel removed the Duty Supervisor and CMM1 from the hazard zone.

49. At 12:57 PM, the First Responder, who had not survived the explosion, was discovered after CMM2 called his cell phone.

50. At 12:59 PM, UGI's dispatcher contacted PPL Electric Utilities ("PPL"), the electric distribution company ("EDC") serving Springdale Lane, to request that electricity be shut off in the area.

51. At 1:00 PM, UGI notified I&E's Safety Division of the explosion.

52. At 1:06 PM, UGI shut off the valve located on Burr Oak Drive and Springdale Lane and waited for the remaining pressurized gas to dissipate out of the line.

53. At 1:08 PM, PPL shut off the electricity to Springdale Lane.

54. At 1:21 PM, the fire chief notified Lancaster County 911 to indicate his belief that there was no free-flowing gas in the street, meaning that the pressure in the main had decreased to zero (0).

55. At 1:50 PM, approximately one (1) hour and nineteen (19) minutes after the

explosion, UGI notified the National Response Center (“NRC”) of the incident.

56. At approximately 2:40 PM, UGI performed leak surveys in the surrounding buildings and around the cul-de-sac of Springdale Lane. The surveys showed negative readings inside the structures.

57. Post incident, the main was pressure tested in three sections at the end of the cul-de-sac, near 198 Springdale Lane. The results of the on-site pressure testing indicated that the mechanical tapping tee assembly was leaking gas at the connection of the tee to the main in front of 206 Springdale Lane. Laboratory testing of the tapping tee took place on August 7, 2017 in Washington, D.C. Two (2) of the four (4) nylon bolts on the tapping tee assembly were fractured consistent with tensile stress. Gas escaped through the interface of the main and the fitting interface (where the tapping tee met the main), and entered the soil surrounding the main. Gas was detected throughout the soil and in the sewer in the immediate area of the leak.

**C. UGI’s Procedures**

58. UGI failed to follow its written, internal procedures on July 2, 2017, in that the actions taken by UGI employees were not prioritized to protect life and property and eliminate hazards. Additionally, UGI’s procedures in place at the time of the explosion were deficient, especially in recognizing and managing an underground blowing gas situation. With the discovery of 98% gas-in-air over the tapping tee and 80% gas-in-air in the sewer, UGI’s procedures should have directed immediate closure of the closest valve. Moreover, UGI’s procedures should have directed UGI’s dispatch to promptly contact 911 to notify the local fire department.



59. UGI's emergency procedures can be found in UGI's Gas Operations Manual ("GOM")<sup>4</sup> at Sections [REDACTED], [REDACTED], and [REDACTED]. These Sections are appended to the Proprietary Version of I&E's Complaint as Exhibit 1.

60. With regard to Section [REDACTED], related to [REDACTED], UGI's procedures at Subsection [REDACTED], which pertain to [REDACTED], contain no instructions on gathering information on the strength or persistence of outside odors. Likewise, in Subsection [REDACTED], which [REDACTED], the strength or persistence of an outside odor is absent from such criteria.

61. Subsection [REDACTED] of UGI's GOM Section [REDACTED] contains only [REDACTED]. In Subsection [REDACTED], there is [REDACTED]. This instruction is vague as there is no clear criteria provided to indicate when UGI employees should call for assistance. For example, Subsection [REDACTED], [REDACTED]. This Subsection depends on the employees' ability to assess and recognize that a situation is beyond their control. In Subsection [REDACTED], [REDACTED].

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<sup>4</sup> UGI's GOM is proprietary material. Therefore, the relevant portions of UGI's GOM as well as specific references to UGI's GOM have been redacted.

[REDACTED]

[REDACTED], but there are no conditions mandated by UGI where shutting off power is required. Moreover, nowhere in Subsection [REDACTED] does UGI instruct employees responding to an emergency to report back to the dispatcher with information such as confirming a leak, the severity of the leak and whether the leak is hazardous so that the dispatcher may notify additional personnel and gather additional resources. Likewise, UGI's procedures fail to require dispatchers to document the disposition of emergency calls.

62. Subsection [REDACTED] of UGI's GOM Section [REDACTED] relates to [REDACTED].

Subsection [REDACTED]

[REDACTED] This Subsection [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

63. With regard to UGI's GOM Section [REDACTED], relating to [REDACTED]

[REDACTED], Subsection [REDACTED] is [REDACTED] Absent in this

Subsection are any instructions detailing how, when and where situations are to be made safe.

64. Subsection [REDACTED] of UGI's GOM Section [REDACTED] relates to [REDACTED].

Subsection [REDACTED], but fails to

provide any follow-up actions for the responder. Subsection [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Subsection [REDACTED]

[REDACTED]

[REDACTED] Subsection [REDACTED]

[REDACTED]

[REDACTED] The [REDACTED]

[REDACTED] procedures do not account for high gas readings outside, such as that in a sewer manhole that could easily migrate inside.

65. Subsection [REDACTED] of UGI's GOM Section [REDACTED] pertains to [REDACTED]

[REDACTED] Subsection [REDACTED]

[REDACTED] UGI's procedures at Subsections [REDACTED]

[REDACTED] However, blowing gas *below*

*ground* is not mentioned. Underground blowing gas is generally harder to detect since it often cannot be heard, felt or seen. UGI's procedures fail to provide any guidance or criteria to identify the signs of underground blowing gas. Subsection [REDACTED]

[REDACTED]

[REDACTED] This Subsection also [REDACTED]

[REDACTED]

However, UGI's procedures do not strongly precaution against or prohibit a squeeze off for an underground blowing gas situation. Subsection [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] This procedure increases the likelihood of the operating personnel electing to perform a “squeeze off.” Subsection

[REDACTED]

66. Subsection [REDACTED], related to [REDACTED], does not [REDACTED]

[REDACTED] Once it is established that a hazardous situation exists, UGI’s procedure should refer to the immediate steps necessary to protect life and property. Instead, some actions within this Subsection [REDACTED]

[REDACTED]

[REDACTED] Nevertheless, Subsection [REDACTED]

[REDACTED]

[REDACTED] With respect to this incident, UGI personnel on site failed to evacuate residences in the immediate area of the leak.

67. With regard to UGI's GOM Section [REDACTED], related to [REDACTED], Subsection [REDACTED], which concerns [REDACTED]  
[REDACTED]  
[REDACTED] UGI's procedure fails to direct that the situation be made safe [REDACTED]

**III. Violations**

**Counts 1 – 11**

68. All allegations in paragraphs 1-67 are incorporated as if fully set forth herein.  
UGI failed to follow its own procedures or failed to maintain adequate procedures directed towards the prioritization of protecting life and property, and eliminating hazards in that:

- (a) The First Responder entered and remained in a structure, 206 Springdale Lane, even after determining that the atmosphere inside the structure had an explosive level of natural gas with a reading of 11% natural gas;
- (b) The resident of 206 Springdale Lane was permitted to remain inside the residence despite an explosive level of natural gas and while the First Responder conducted an inside leak investigation;
- (c) The residents of 202 Springdale Lane were permitted to remain inside their home despite dangerous natural gas readings resulting in a hazardous condition;

- (d) UGI failed to prevent accidental ignition of gas as the resident of 206 Springdale Lane was permitted to start her vehicle and drive out of her garage on two occasions;
- (e) UGI did not contact PPL to turn off the electricity on the Springdale Lane cul-de-sac until well after the explosion despite the determination having been made of dangerous natural gas readings resulting in a hazardous condition;
- (f) UGI did not contact the local fire department for assistance until shortly prior to the explosion even though UGI detected 98% gas over the top of the tapping tee and 80% gas in the sewer manhole, which is twenty (20) times UGI's threshold of a hazardous leak;
- (g) UGI's on-call employees made multiple phone calls to each other while at the scene rather than allowing UGI's dispatch to notify additional personnel and gather additional resources, delaying their efforts to react to a hazardous condition;
- (h) UGI's primary focus was to repair the leak instead of properly reacting to the hazardous condition and shutting off the gas supply by first closing the valve;
- (i) The First Responder disassembled the meter set prior to the elimination of hazardous conditions;
- (j) The communication timeframe between UGI's Duty Supervisor and on-call engineer was too lengthy given the emergent circumstances; and
- (k) Some of UGI's on-call personnel did not respond to phone calls requesting their assistance at the scene.

These are violations of 49 CFR §§ 192.605(a) (requiring adherence to an operation, maintenance and emergency manual), 192.615 (pertaining to the contents of an

emergency plan and requiring adherence to that plan), and 52 Pa. Code § 59.33(b) (adopting the Federal pipeline safety laws and regulations as the minimum safety standards for NGDCs).

**Count 12**

69. All allegations in paragraphs 1-67 are incorporated as if fully set forth herein.

UGI's emergency procedures at Section [REDACTED] are inadequate in that they do not specifically require or address searching for a gas leak in basements or crawl spaces.

This is a violation of 49 CFR § 192.605(a) (requiring adherence to emergency plans that incorporate the factors in 49 CFR § 192.615) and 52 Pa. Code § 59.33(b) (adopting the Federal pipeline safety laws and regulations as the minimum safety standards for NGDCs).

**Counts 13-18**

70. All allegations in paragraphs 1-67 are incorporated as if fully set forth herein. UGI's procedures are deficient in that:

- (a) Section [REDACTED] is fragmented in that it [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] Section [REDACTED] should have prohibited entry into a structure with extremely high gas readings in a nearby sewer manhole, as gas could have migrated into any structure on the street;

- (b) Procedures that would allow UGI employees to identify and react to an underground blowing gas situation are absent;
- (c) UGI's procedures do not strongly precaution against or prohibit a "squeeze off" for an underground blowing gas situation;
- (d) UGI's procedures discourage closing valves due to [REDACTED]  
[REDACTED]  
[REDACTED];
- (e) UGI's procedures include [REDACTED]  
[REDACTED] without a caveat that such actions should be taken only after the risks to life and property have been mitigated; and
- (f) Section [REDACTED]  
[REDACTED] without first directing that a situation be made safe or indicating that purging should only occur in the absence of an emergency.

This is a violation of 49 CFR §§ 192.13(c) (requiring maintenance of plans, procedures and programs that must be established under Federal pipeline safety regulations), 192.615(a)(5) (mandating that actions must be directed toward protecting people first and then property) and 52 Pa. Code § 59.33(b) (adopting the Federal pipeline safety laws and regulations as the minimum safety standards for NGDCs).

**Count 19**

71. All allegations in paragraphs 1-67 are incorporated as if fully set forth herein.



UGI's dispatcher failed to notify the NRC of the explosion at the earliest practicable moment.

This is a violation of 49 CFR §§ 192.605(a) (requiring adherence to an operation, maintenance and emergency manual), 191.5 (pertaining to immediate notice of certain incidents) and 52 Pa. Code § 59.33(b) (adopting the Federal pipeline safety laws and regulations as the minimum safety standards for NGDCs).

#### IV. Requested Relief

72. Due to the failure of UGI to properly react to the hazardous condition at hand, the resulting explosion and the loss of life, personal injury and damage to property, as set forth herein, I&E proposes that UGI pay a civil penalty of Two Hundred Nine Thousand, Two Dollars (\$209,002)<sup>5</sup> for each of the nineteen (19) counts set forth in this Complaint for a total civil penalty of Three Million, Nine Hundred Seventy-One Thousand, Thirty-Eight Dollars (\$3,971,038). Given that this total civil penalty exceeds the statutory maximum set forth in 66 Pa.C.S. § 3301(c), I&E's requested total civil penalty for this incident is Two Million, Ninety Thousand, Twenty-Two Dollars (\$2,090,022).<sup>6</sup>

73. In addition to the civil penalty, I&E proposes the following corrective actions:

- (a) that UGI construct a training facility that permits the Company to qualify workers using the unified procedures followed by all UGI companies and contractors. The facility

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<sup>5</sup> This is the maximum "per violation" civil penalty as adjusted for inflation. See 82 Fed. Reg. 19325 (April 27, 2017).

<sup>6</sup> This is the maximum civil penalty for a related series of violations. *Id.*

shall include a “leak city” and classrooms, and be designed for UGI personnel, contractors, emergency responders and the public;

- (b) that UGI provide and facilitate education programs with each fire department located in its service territory on the incident command system;
- (c) that UGI revise GOM [REDACTED] (pertaining to [REDACTED] ) to incorporate the Manual of Standard Procedures – [REDACTED] based on Standard [REDACTED], which was issued on [REDACTED]. All UGI companies shall incorporate this procedure;
- (d) that UGI revise the procedure for [REDACTED] to require the immediate shut off of electricity by the applicable provider and the shutdown of gas supply by closing emergency or non-emergency valves;
- (e) that UGI revise its GOM procedures to indicate that if there is any percentage of LEL or gas concentrations in structures, UGI will perform the following: (i) evacuate all structures with detectable gas; (ii) shut off electricity; (iii) shut down the gas supply; and (iv) continue to monitor structures in the affected area until no gas is detected;
- (f) that UGI revise its GOM procedures to specify that gas meters should not be removed when leaking gas is detected until the situation is made safe;
- (g) that UGI revise its GOM procedures to include “make safe” requirements prior to placing emergency one call tickets;
- (h) that UGI revise its GOM procedures to maintain “on-call” personnel to be available at their designated shops twenty-four (24) hours a day, seven (7) days a week, year round;
- (i) that UGI revise its GOM procedures to have [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED];

- (j) that UGI revise its GOM procedures to include valve identification with all grade “C” leaks in order to isolate gas flow;
- (k) that UGI prepare a detailed GOM procedure that establishes a safety perimeter during abnormal operating conditions;
- (l) that UGI train all of its employees on its new procedures;
- (m) within six (6) months of entry of a final Commission Order in this matter, that UGI provide a study, performed by an independent consultant, that evaluates plastic mechanical tapping tees used by UGI in its distribution system. The study should include: (i) torque requirements; (ii) cathodic protection requirements and life expectancy without cathodic protection; (iii) shell protection during fastening of the top and bottom shell; and (iv) proper installation techniques. The results of the study should be immediately reflected in UGI’s Distribution Integrity Management Plan (“DIMP”), incorporated into UGI’s GOM and provided to I&E’s Safety Division;
- (n) that UGI provide a plan to the I&E Safety Division to identify the locations of installed mechanical tapping tees; and
- (o) that UGI conduct quarterly leak surveys on all plastic mains that may contain plastic mechanical tapping tees and provide quarterly reports to the I&E Safety Division for a period of five (5) years.

74. I&E proposes that the Commission order such other remedy as the Commission may deem to be appropriate.

WHEREFORE, the Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement hereby requests that the Commission: (1) find Respondent to be in violation of the Pennsylvania Code and Code of Federal Regulations for each of the nineteen (19) counts set forth herein; (2) impose a cumulative civil penalty upon Respondent in the amount of Two Million, Ninety Thousand, Twenty-Two Dollars (\$2,090,022); (3) direct Respondent to perform each of the corrective actions detailed in this Complaint; and (4) order such other remedies as the Commission may deem to be appropriate.

Respectfully submitted,



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Stephanie M. Wimer  
Senior Prosecutor  
PA Attorney ID No. 207522

Timothy K. McHugh  
Prosecutor  
PA Attorney ID No. 317906

Michael L. Swindler  
Deputy Chief Prosecutor  
PA Attorney ID No. 43319

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Dated: October 4, 2018

# EXHIBIT 1

(Redacted)

Pennsylvania Public Utility  
Commission, Bureau of  
Investigation and Enforcement,  
Complainant

v.

UGI Utilities, Inc.,  
Respondent

Docket No. C-2018-

**VERIFICATION**

I, Paul J. Metro, Manager, Safety Division, Bureau of Investigation and Enforcement, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 relating to unsworn falsification to authorities.

Date: October 4, 2018



Paul J. Metro  
Manager, Safety Division  
Bureau of Investigation and Enforcement

Pennsylvania Public Utility	:	
Commission, Bureau of	:	
Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. C-2018
	:	
UGI Utilities, Inc.,	:	
Respondent	:	

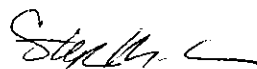
**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**Service by First Class Mail and Email As Indicated:**

Robert F. Beard, President  
 UGI Corporation  
 2525 North 12<sup>th</sup> Street  
 Suite 360  
 Reading, PA 19612-2677  
*(service by first class mail only)*

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 Senior Counsel  
 UGI Corporation  
 460 North Gulph Road  
 King of Prussia, PA 19406  
[murphyke@ugicorp.com](mailto:murphyke@ugicorp.com)




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Stephanie M. Wimer  
 Senior Prosecutor  
 PA Attorney ID No. 207522

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Date: October 4, 2018